
IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

COMMISSIONER OF INTERNAL REVENUE,
Petitioner

v.

OSCAR E. BAAN and EVELYN K. BAAN,
Respondents

ON PETITION FOR REVIEW OF THE DECISION OF THE TAX COURT
OF THE UNITED STATES

REPLY BRIEF FOR THE PETITIONER

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The Commissioner, in his "Specification Of Errors Relied Upon," asserted that the Tax Court erred in failing to hold that taxpayers "realized dividend income to the extent of the difference between the price which they paid for the Northwest stock, and the fair market value of such stock." (Br. 7.) In the subsequent development of the argument, the Commissioner contended both that taxpayers "realized a profit on the distribution of the rights which is taxable as a dividend" (Br. 8) and that "the profit resulting from the exercise of the rights" is taxable as a dividend (Br. 16). The interchangeable use of the terms "distribution" and "exercise" afforded taxpayers with an opportunity (fully exploited in

their brief) to argue that the Commissioner's position on this appeal is contrary to Palmer v. Commissioner, 302 U.S. 63, where the Supreme Court concluded that (p. 71), "The mere issue of rights to subscribe and their receipt by stockholders is not a dividend." (Emphasis supplied.)

As the Tax Court correctly observed in its opinion (I.R. 110):

There is no serious question that, apart from certain specific provisions of the 1954 Code, the exercise of rights by Pacific's stockholders in the circumstances of this case would result in their receiving taxable dividends equal to the excess of the value of the Northwest stock over the subscription price. So much is clear from such decisions as Palmer v. Commissioner, 302 U.S. 63, and Choate v. Commissioner, 129 F. 2d 684 (C.A. 2d). [Footnote omitted.]

In short, the case law (including Palmer) renders the distribution taxable, and the single question on this appeal is whether the simulated "spin-off" here qualifies under the nonrecognition provisions of Section 355 and renders the distribution nontaxable. Accordingly, the dispute over whether taxpayers received a dividend when the rights were issued or when they were exercised is mere scholasticism except as it bears upon the proper interpretation of the terms of Section 355.

At pages 19-22 of the Commissioner's opening brief, it was pointed out that Section 355(a)(1)(A) required Pacific to distribute "to a shareholder, with respect to its stock * * * solely stock or securities of a corporation which it controls * * *." It was stressed that all that Pacific distributed here "with respect to its stock" were transferable rights to purchase Northwest stock (for six rights and \$16 per share) and that such rights are not "stock or securities" under Helvering v. Southwest Corp., 315 U.S. 194, and Section 1.355-1(a) of the Treasury Regulations on Income Tax (1954 Code). The Northwest stock itself was

not distributed to taxpayers "with respect to" their status as shareholders of Pacific but to anyone who came forward with six rights and \$16. Seemingly barred from nonrecognition by the plain terms of Section 355(a)(1)(A), it has been taxpayers' strategy to contend that the rights themselves should be disregarded entirely, that Pacific obviously did "distribute" something to its shareholders "with respect to" their stock and that the only something in sight is the stock of Northwest. In this manner, taxpayers hope to slide the transaction within the terms of Section 355(a)(1)(A), i.e., by hammering away (with their interpretation of Palmer) at the proposition that the distribution of rights was a nullity within the contemplation of the statute, until coupled with the physical distribution of Northwest stock, and that the latter step is the only one to be considered under the statute.

Of course, a difficulty immediately confronting taxpayers in maintaining their position that the rights themselves should be ignored is the holding of the Tax Court that the Pacific shareholders who did not receive Northwest stock but elected to sell their rights received a dividend distribution. (I-R. 125-127.) Pointing out the further difficulties inherent in that position is the sole purpose of this short reply brief.

As a matter of logic and because the Supreme Court so stated in Palmer (p. 71), "The mere issue of rights to subscribe and their receipt by shareholders is not a dividend." (Emphasis supplied.) What happened in Palmer (unlike the facts in the case at bar) is that a corporation issued rights to its shareholders to acquire the stock of another corporation at a price which reflected the fair market value at the

date of issuance.^{1/} Prior to the exercise of the rights, however, the value of the offered stock went up, and the question as stated by the Court was (pp. 70-71):

* * * whether the commitment of Superpower * * * to the sale of United stock at its then fair market value and the ensuing distribution to stockholders is taken out of the category of sales and placed in that of dividends by the fact that, pending execution of the project, rights to subscribe sold on the exchange at substantial prices, or that the stock itself sold at prices substantially above the stipulated purchase price.

Answering that question in the negative, the Supreme Court stated that (p. 73):

It is decisive of the present case, so far as the first allotment of United shares is concerned, that distribution of corporate assets, effected by the sale, was not intended to be a means of distributing earnings, and that the price when fixed represented the fair market value of the property to be distributed.

To be sure, the Supreme Court, by way of dictum, earlier (p. 71) had observed that the rights themselves were in the nature of options and that until they were exercised, no distribution of corporate assets or diminution of the corporation's net worth resulted in any practical sense. Significantly, however, in a later case (Commissioner v. LoBue,

^{1/} Where a corporation intentionally sets a price on property (to be sold to its shareholders) which is below fair market value, as in the case at bar, the Supreme Court had this to say (Palmer, p. 69):

On the other hand such a sale, if for substantially less than the value of the property sold, may be as effective a means of distributing profits among stockholders as the formal declaration of a dividend. The necessary consequence of the corporate action may be in substance the kind of a distribution to stockholders which it is the purpose of §115 to tax as present income to stockholders, and such a transaction may appropriately be deemed in effect the declaration of a dividend, taxable to the extent that the value of the distributed property exceeds the stipulated price. * * *

351 U.S. 243) the Supreme Court decided that an employee who received an option to acquire stock of his corporate employer (at a price below fair market value) should be taxed at the time the option was exercised (rather than at the time of issuance) solely because the option was not transferable. The majority opinion states (p. 249):

It is of course possible for the recipient of a stock option to realize an immediate taxable gain. See Commissioner v. Smith, 324 U.S. 177, 181-182. The option might have a readily ascertainable market value and the recipient might be free to sell his option. But this is not such a case.

Two dissenting justices took the position that an immediate taxable gain took place upon the issuance of the options although they could not be sold and might never be exercised (pp. 250-252).

Accordingly, it is far from clear that the dictum in Palmer (that there could be no distribution of corporate assets in a practical sense until the rights were exercised) survives what was later stated in LoBue. It should also be noted that in a subsequent application of Palmer, it was held that when rights are issued by a corporation to acquire stock at a bargain price and those rights subsequently are ^{exercised} ~~issued~~, the dividend taxable to the shareholder is measured by the difference between (1) fair market value at the date of issuance and the option price or (2) by the difference between fair market value at the date of exercise and the option price, whichever is the lesser. Choate v. Commissioner, 129 F. 2d 684, 68 (C.A. 2d). The "distribution" to a shareholder under these circumstances is measured by (in that it cannot exceed) the spread between fair market value of the property at the date the rights are issued and the option price.

Viewed in light of the foregoing, it is believed that when Pacific issued transferable rights to taxpayers to acquire Northwest stock at a bargain price, these valuable rights became a charge on the assets of Pacific and there was a "distribution" to them at that time of earnings and profits of Pacific which was extinguishable only if they subsequently failed to exercise or sell the rights (both unrealistic alternatives) and reducible only by an intervening drop in fair market value.

Emphatically, however, it is not necessary for this Court to decide whether the issuance and receipt by taxpayers of rights to acquire Northwest stock was a taxable event under the circumstances of this case. It is sufficient for the purposes of this litigation, that, under no reasonable construction of the facts or of Section 355(a)(1)(A), can it be considered that all that happened here was a "distribution" of Northwest stock to taxpayers "with respect to" their stock in Pacific.^{2/}

Respectfully submitted,

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^{2/}The Tax Court was criticized in the Commissioner's opening brief (p. 20) for the conclusion that the stock of Northwest was "literally 'distributed' to petitioners [taxpayers], albeit for a consideration * * *." (I-R. 117.) Taxpayers, however, find this statement "squarely in accord" (Br. 23) with the statement in Palmer (p. 69) that "a sale of corporate assets to a stockholder is, in a literal sense, a distribution of its property." What taxpayers overlook is that the Tax Court's observation was in the context of a "distribution" of Northwest stock to the shareholders of Pacific entirely "with respect to" their stock in Pacific. (I-R. 117.) The dictum in Palmer is not addressed to that question. Accordingly, the view that a distribution may be both "for consideration" and a distribution "with respect to" stock is original with the Tax Court.

CERTIFICATE

I certify that, in connection with the preparation of this reply brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing reply brief is in full compliance with those rules.

Dated: _____ day of _____, 1966.

Attorney

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United States Court of Appeals for the Ninth Circuit

No. 20,868

EVANS PRODUCTS COMPANY,
Defendant-Appellant,
vs.
PRECO INCORPORATED,
Plaintiff-Appellee.

APPELLANT'S BRIEF

JURISDICTIONAL STATEMENT

This is an appeal from a final judgment entered by the District Court of the United States for the Southern District of California, Central Division, relating to United States Patent No. 2,543,143 issued February 27, 1951 and owned by Defendant-Appellant, Evans Products Company (herein referred to as Evans).

This action was brought for declaratory judgment in a controversy arising under the patent laws of the United

States and Evans counterclaimed for patent infringement. Jurisdiction of the District Court is founded on Sections 1338 and 2201 of Title 28 of the United States Code. The pleadings showing the existence of jurisdiction are the Complaint for Declaratory Judgment Relief in connection with United States Patent No. 2,543,143, Defendant Answer to Complaint and Defendant's Counterclaim, and Plaintiff's Reply to Counterclaimant's Counterclaim (R. 2-17).^{*} The final judgment (R. 404) was entered January 11, 1966 and Defendant's notice of appeal (R. 406) was filed February 9, 1966 within the period authorized by Rule 73(a) of the Federal Rules of Civil Procedure. This Court's jurisdiction of this appeal is provided for in Section 1291 of Title 28 of the United States Code.

STATEMENT OF THE CASE

A. The Issues

Two basic issues are presented by this appeal. First, whether the District Court erred in holding the Wells et al United States Patent No. 2,543,143 to be invalid and second, whether it erred in holding that the Wells patent^{**} has not been infringed by the Appellee, Preco Incorporated.

^{*} The Transcript of Record filed with the clerk on this appeal is in three volumes. The Clerk's Record in two volumes is reproduced in one volume and bears page markings 1 through 415. References to this Clerk's Record appear in this brief as R. followed by the appropriate page number as (R. 1). Volume III is the reporter's transcript in 14 volumes and references to this reporter's transcript appear herein as TR, followed by the appropriate page number as (TR. 1).

^{**} The patent in suit in this case is Wells et al. No. 2,543,143 and will be referred to herein either as the Wells patent or simply the patent in suit. There is another Wells Patent No. 1,646,604 in the prior art.

The patent in suit covers a novel bulkhead or load divider installation for a transport vehicle such as a truck or railway boxcar.

The pivotal issue in this case is the issue of infringement. This follows from the fact that the accused bulkhead constructions sold by Preco are substantially identical to the bulkheads sold by Evans which have enjoyed a substantial commercial success. If, as asserted by Evans, the constructions of both parties embody the invention of the patent in suit, then not only is the issue of infringement resolved but in addition, the undisputed fact that the commercial constructions of both parties filled a long-felt need is one of those factors which weighs heavily in favor of a conclusion that the concept of the invention was unobvious. *Graham et al v. John Deere Co.*, 383 U.S. 1; 15 L. Ed. 2d 545, 556.

An entirely fallacious non-infringement argument advanced by Preco led the District Court not only into the error of holding that the accused bulkheads do not infringe, but by the same token led the Court to disregard the undisputed evidence that the commercial constructions of both parties had filled a long-felt need, and to make the further irrelevant holding that the construction shown in the Wells patent had not been commercialized. (Finding No. 27, R. 394.)

While there is no evidence of commercial use of the embodiment of the invention illustrated in the Wells patent, which is a cattle truck installation, the District Court evidently failed to appreciate the distinction between an invention, which can be embodied in many forms, and the particular embodiment selected by the inventor to illustrate his invention. Section 112 of the statute (35 U.S.C.) recognizes this distinction by requiring that the application describe

“the best mode contemplated by the inventor of carrying out his invention”.

Implicit in this language is the recognition that an invention can be carried out in other modes.

An invention can achieve commercial success and fill a long-felt need in embodiments other than that illustrated. While Wells et al evidently believed that the cattle truck embodiment was the best mode of carrying out the invention, they did state that it could be used in boxcars and the great commercial success of the invention proved to be in that field.

The issue of infringement is thus at the very heart of the present appeal and once it is appreciated that the accused devices are infringements of the patent in suit, it will be obvious that Evans' product also embodies the invention of the patent in suit and that the patent has, in fact, filled a long-felt need and had a remarkable commercial success. These facts, when added to the conceded novelty of the Wells' invention and the unchallengeable advantages which flow from its use, provide overwhelming support for the presumption of validity.

B. The Controlling Facts Are Not In Dispute

On the issue of infringement, there is no issue of fact. There is no disagreement as to what Preco's accused structures are or how they operate; and the specifications and claims of the patent contain no technical terms requiring expert elucidation. There is disagreement as to whether these accused constructions and the similar constructions sold by Evans come within the scope of the claims of the patent in suit when they are properly construed and applied. But this is a matter of law for determination by the

Court on the undisputed facts. (*Hansen v. Colliver*, 282 F. 2d 66, 69 (C.A. 9) 1960). Also, the file wrapper estoppel argument presents a question of law for the Court rather than any disputed issue of fact.

On the issue of validity the evidence adduced does not present any disputed fact question. The prior art upon which Preco relies consists entirely of United States patents, all of which are in the Book of Prior Art Patents Relied Upon by the Plaintiff (PX 2) and are individually identified by the marks 2-A through 2-S. There is no dispute as to the construction or operation of the equipment disclosed in these patents. Both parties offered evidence showing the background of the patented invention and the long-felt need for such permanent freight bracing equipment; and there is no dispute as to the commercial success of the constructions claimed by Evans to be within the scope of the claims of the patent in suit.

That leaves only legal grounds of attack on the validity of the patent. Thus, the question of whether the structure of the Wells et al patent in suit is an aggregation, as distinguished from patentable combination of old elements is a question of law for the Court (*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 95 L. Ed. 162 (1951) and *Continental Connector Corp. v. Houston Fearless Corp.*, 350 F. 2d 183, 191, (C.A. 9) 1965), as is the "ultimate" question of whether, in the light of the established facts, what Wells et al did meets the standard of patentable invention required by law (*Graham et al v. John Deere Co.*, 383 U.S. 1, 15 L. Ed. 2d 545, 556).

C. The Nature and Advantages of the Patented Invention.

The subject matter of the Wells patent (DX A)* is a permanently but adjustably mounted partition on bulkhead for dividing the cargo space in a transport vehicle and for retaining the goods to be transported in position in the cargo space. The embodiment of the invention illustrated and described in the patent is mounted in a highway truck of the type which is utilized in transporting livestock, although the patentees recognized that the invention was of broader application, as is clear from the opening statement of the patent specification which reads as follows:

“The present invention relates to the transportation art and more particularly to trucks, railroad cars and the like, which are adapted for transporting merchandise therein and particularly livestock.”

The devices sold by both parties are used in otherwise conventional railroad boxcars to retain miscellaneous freight in position in the car. They are generally referred to as bulkheads, partitions, or load dividers. Their function is to retain freight in position against its tendency to move out of position when the freight car is bumped or otherwise jostled during transit and by retaining the freight in position, the bulkheads facilitate unloading and prevent damage to the freight. For this purpose a very heavy and sturdy construction is required and a major problem in the art is to provide a permanent mounting for such a heavy unit, which would permit easy movement and adjustment to a wide variety of positions.

* Evans' exhibits are referred to herein by the letters DX followed by the letter designation of the exhibit as (DX A) and Preco's exhibits are referred to herein by the letters PX followed by the number designation of the exhibit as (PX 1).

Referring to the patent in suit (DX A), its essential elements and their mode of operation may be briefly described as follows. As best shown in Figures 1 and 3, the vehicle body has side walls which are indicated generally by the numerals 18 and 20. The bulkhead or partition 40 extends substantially the full width of the interior of the body when positioned transversely of the body, as illustrated in Figure 3 and is suspended by a connection 56 at the midpoint of its upper edge. The connection 56 not only suspends the bulkhead, but permits a pivotal movement of the suspended bulkhead about a vertical axis between a position in which it extends transversely of the vehicle body and a position in which it extends parallel to the side walls. The pivotal suspension 56 is carried by a trolley mechanism or bracket 54 which runs on a transverse bar 42 so that when the bulkhead is swung into a plane parallel to the side walls of the vehicle, it may be moved flat against a side wall, as shown in Figure 4. It will be noted that Figure 4 shows the bulkhead at the left-hand side of the vehicle body where it is out of the way during loading or unloading. It may, in the same manner, be moved over against the right-hand side, if desired.

The transverse bar 42 may be moved along the length of the vehicle body in either direction, thus permitting the bulkhead, when in its transverse load retaining position shown in Figure 3, to be positioned at any point along the length of the body. Also, it will be appreciated that the bulkhead may be positioned at any point along either side wall of the body; one of which positions is shown in Figure 4.

The bulkhead may be secured in any desired position transversely of the vehicle body by latching it directly to the side walls. This is achieved by latch pins 80 which pro-

ject horizontally from the side edges of the bulkhead and which engage in appropriate openings 104 formed in the longitudinal bars 100 and 102 which are secured to the side walls. These latch pins 80 are normally urged into an outward or locking position by springs 94. Handles 92 and an associated linkage mechanism are provided for retracting the latch pins.

The invention of the Wells et al patent in suit resides in a combination of elements which co-act in a novel manner to produce a new and useful result not hitherto achieved by any prior bulkhead construction. The features of the invention which distinguish it from the prior art and are responsible for its superior performance are the combination of a bulkhead suspended from a transverse bar in a car body by a connection which is movable along the length of the bar and which provides for pivotal movement of the bulkhead about a vertical axis, with rails on which the ends of the bar are supported to permit movement of the transverse bar on the rails along the length of the car body, and with means for latching the bulkhead to the car body in a plurality of positions along the length of the car body (TR. 570-71).

This structure has a number of important functions and advantages. First, it permits the suspension of the bulkhead from a point over its center gravity for movement while extending transversely of the car to any desired position of use along the length of the car, and also for movement out of the way parallel to and adjacent either wall of the car body at any point along the length of the car (TR. 571). This provides a universal adjustment of the bulkhead which is not found in any prior construction. Moreover, these movements are easily effected by a single workman notwithstanding the fact that Evans' embodi-

ments of the invention of the patent in suit weigh from seven or eight hundred pounds up to seventeen or eighteen hundred pounds (TR. 879).

The novel combination of the patent in suit provides a permanently mounted bulkhead assembly of maximum flexibility and ease of operation with minimum structural weight.

The patent in suit has only three claims, all of which are involved in the present appeal. Claim 1 is most broadly directed to the combination above described. Claim 2 more specifically recites that the transverse bar is channel-shaped in cross section, with a partition supporting bracket movable in the channel. Claim 3 adds a recitation of latches resiliently urged toward latching position together with detailed operating means therefore.

D. The Commercial Bulkheads of the Parties

A general understanding of the equipment manufactured and sold by the parties to this suit can be obtained from a consideration of DX AG which is a brochure of Evans showing the construction, installation and operation of its DF-B equipment (TR. 156-57) and a consideration of the photographs DX AN 1-6 and the charts DX AE-1 and 2 and AF* showing one of the several accused bulkheads designs manufactured and sold by Preco and charged to

* These charts are part of a group of charts DX Y to AF which are stipulated to correctly illustrate the accused constructions (except for a stipulated correction to the shape of the rails in Model BD-2 shown in DX AE-1 and 2 and AF), although Preco reserved the right to challenge the numerals and words appearing on the charts (DX AR).

For convenience of reference, conformed copies of DX AG, page 4, DX AN-2, DX AE-1 and DX AF are reproduced in the Appendix hereto.

infringe the Wells patent. It will be noted that in each the bulkheads are large structures which extend substantially the full width of the boxcar and from the floor to a point adjacent the top of the side wall. Also, it will be noted that each bulkhead is supported at the center of its upper edge through a pivotal connection, by a carriage or trolley mounted on a transverse beam by roller means permitting the carriage or trolley to be moved along the transverse beam. The transverse beam in each of these constructions extends completely across the boxcar and is supported at its opposite ends on rails extending longitudinally of the boxcar by rollers which permit the transverse beam to be moved longitudinally of the boxcar. Each bulkhead also includes lockpins at four spaced locations and engageable with latching strips fixed to the boxcar structure for holding the bulkhead in any of a plurality of freight bracing positions which are spaced longitudinally of the boxcar and in each of which the bulkhead extends transversely of the boxcar. These structures have all the essential features of the Wells patent.

E. Background of Patented Invention—The Invention Filled a Long-Felt Need for Permanent Freight Bracing Equipment*

The railroads have long been plagued with excessive damage claims based on the damage of freight resulting from the rough handling to which freight cars are subject (TR. 469-471). One of the principal causes of damage is the severe bumping to which railroad freight cars are subjected

* The facts set forth in this section are undisputed except that Preco denies that the constructions sold by both parties and which have filled the long-felt need embody the invention of the Wells patent. This fallacious argument is disposed of later in this brief.

during the make-up and break-down of trains in freight yards. It is the universal practice to bump cars together to effect a coupling, and in order to speed the make-up of trains, this is done at relatively high speed. Thus, a car may be run into a standing string of freight cars at speeds as high as 10, 12 or 15 miles per hour (TR. 468). The shock and stress placed on the freight under these circumstances is exceedingly high (TR. 466, 878). In addition to these stresses, very similar shocks occur during sudden braking and starting operations when the slack between cars runs out or runs in and the accumulated slack provides a crack-the-whip effect (TR. 468). Also, freight trains in travelling at high speeds are subjected to severe vertical vibrations (TR. 535) and side-sway, which also tend to work freight loose from any means which may be provided to hold it in position. The combined effect of all of these factors makes it absolutely essential to provide means effective to hold the freight in position in the car during transport (TR. 466, 469).

In years past the usual practice was to provide heavy timbers which were nailed in place to the floor and walls of the boxcar and which engaged the freight. This practice was so widespread that even today all freight cars are provided with wooden floors and side walls to which freight bracing timbers may be nailed. Needless to say, the cost of such timbers, the labor involved in installing and removing them, and the fact that they are almost always thrown away at the end of a single trip, has very materially added to the expense of rail shipments (TR. 476). This cost and the continuing high incidence of freight damage has been responsible for the loss of a great deal of rail freight business to the highway truckers (TR. 524, 558).

The railroads and their equipment suppliers have been desperately searching for some better and more economical

way of bracing freight (TR. 474-484). Amig, who had life-long experience with The Pennsylvania Railroad, explained that freight damage, with which he had been concerned throughout most of his employment, was one of the most serious problems which the railroads have (TR. 471) averaging around eight million dollars each year to the Pennsylvania Railroad alone. Beginning in the 1930's the Pennsylvania first developed loose bulkheads (TR. 474), then later the PD crossbar system with perforated steel linings on the side walls (TR. 477).

The Defendant, Evans Products Company, has been a leader in the development of permanent freight bracing equipment for use in railway freight cars. Its DF crossbar system (TR. 869) was quite an improvement over the PD crossbar (TR. 477-8) and variations of the DF crossbar system were made by Evans (TR. 871). These freight bracing crossbars are effective for the purpose but have the disadvantage that they are not permanently connected to the car (TR. 478) and could become lost. They are shown in DX AW, page 429, in the upper photograph. These crossbars are heavy and difficult to handle and require considerable labor time in loading and unloading.

It has been recognized for many years that it would be desirable to have a permanently mounted partition or bulkhead which would hold the freight in position and could be moved easily to or from a desired freight bracing position in the car and also could be put into a position in which it would not interfere with the loading and unloading of freight. A number of patents have been granted on devices of this kind. DX AT is a collection of twenty-seven such patents dating from 1884. Also, Plaintiff's Book of Prior Art Relied on by Preco (PX 2) includes thirteen other patents relating to bulkheads for railroad freight cars. Evans had developed some fifteen different versions of

bulkheads in an attempt to solve the problem prior to its DF-B bulkhead which embodies the invention of the Wells patent in suit (TR. 912). Preco's counsel admitted in his opening statement (TR. 93) that the problem or need to which the patent in suit was directed had existed since 1941. The record here shows that railroads and numerous inventors have been working on this problem for many years before that. Preco has shown that it recognized the need and was working on the development of load dividers for refrigerator cars as early as 1940 and 1941 (PX 42 A-D, 43 A-C 44 A and B, TR. 425-7).

Since the Wells et al type bulkhead construction was placed on the market by Evans Products Company in 1959, it achieved immediate and substantial commercial success. Evans' bulkhead of this type has been marketed under the trademark DF-B and is shown in Evan's brochure DX AG and in the photographs DX AO 1, 2 and 3. The sales have literally skyrocketed from \$4,610.00 in 1959 to a total of over \$22,129,100 by June 30, 1965 and the sales in the first half of 1965 were over \$5,000,000 (TR. 164-166). The Detailed DF-B Ownership List as of June 30, 1965 (DX AJ) shows that about forty-five different railroads and car leasing or operating companies owned over 13,000 car sets of this DF-B equipment as of June 30, 1965.

In addition to the large volume of sales by Evans of equipment embodying the invention of the Wells et al patent in suit, three of Evans' competitors have paid the patent in suit the compliment of marketing bulkheads embodying its essential features and the sales of these competitors further demonstrate the commercial success of the patent in suit in the solution of this problem of long standing in the railroad freight transport industry. One of these com-

petitors is Unarco Industries, Inc. of Chicago, Illinois, against which a final consent judgment of validity and infringement has been entered (DX AL) and which has taken a license (DX AK) providing for the payment of royalties of \$25.00 per car set, and providing for other considerations for the right to use the invention of the Wells et al patent here in suit. The other considerations refer to the granting to Evans of a royalty-free license under another patent which expires in 1979, and upon which Unarco had brought suit against Evans, and the payment of \$5,000 to Evans by Unarco. Another of these competitors is the present Plaintiff, Preco Incorporated, and the third is Transco, Inc. against which a suit for infringement of the Wells et al patent here in suit is pending in the District Court for the Southern Division of Illinois (TR. 828-30). This adoption by the freight bracing equipment industry of the essential features of the Wells et al patent in suit in place of other types of equipment previously made by them is strong evidence that the invention of the patent in suit was not obvious to those trying to fill the long-felt need for such freight bracing equipment.

F. The Accused Structures

There is no dispute as to the nature of the accused structures or their mode of operation. Preco has admittedly made and sold *four* designs of bulkhead installations which Evans charges are infringements of the patent in suit. These are designated by Preco as its Models BD-6, BD-2, BC-4 and BC-3. Each of these four models manufactured and sold by Preco is charged to infringe all three claims of the patent in suit. Model BD-6 is shown in the photographs DX AN 1 to 6 and the three other models are shown in the charts DX AA to AF, inclusive.

In addition, Preco filed an interrogatory (PX 35—No. 17) which stated that a fifth design, Model BE-2, had been made by Preco and asked whether Evans considered it to be an infringement. Evans replied in the affirmative (PX 36—No. 17). It later developed that Model BE-2 (which is shown in charts DX Y and Z) was experimental, had never been installed in a freight car and had never been sold (TR. 247 and DX AQ Interrogatory 17 and Answer). In view of the facts, it is believed that Model BE-2 is of little importance and does not justify the Court's time in considering and passing upon it. The findings and conclusions regarding it should be vacated on the ground that it is *de minimis*.

1) Models BD-6 and BD-2—Full Width Bulkheads

These two bulkheads for the present purposes are substantially the same (TR. 130) with a single exception which will be pointed out later and accordingly, the following description of Model BD-2 as shown in the charts DX AE-1*, and AE-2 and AF* and explained by witnesses, may be considered applicable to both.

The bulkhead or partition 40 is suspended from a transverse bar 42 which is channel-shaped as shown in cross section in the lower left-hand view of DX AF and which is supported at its opposite ends by rollers 48 which roll along rails or tracks 32 and 34 which are formed of two angles welded together to form a C-shaped cross section which

* For convenience of reference, conformed copies of DX AN-2, DX AE-1 and DX AF are reproduced in the Appendix hereto.

extends the full length of the car.* In the Model BD-6 these rails are mounted directly on the side walls (Finding of Fact No. 33, R. 396), as best shown in the photograph DX AN-6 and as admitted by Preco (TR. 130, 248), whereas in the Model BD-2 the rails are bolted to a ceiling truss which extends across the car and is supported on the side walls (TR. 233, 237, 1101). Thus, the only difference in these Models BD-6 and BD-2 is in the way the rails are mounted (TR 130) and this difference boils down to the manner in which the rails are supported on the side walls. In Model BD-6 they are supported on the side walls by brackets which are welded to the rail and the side wall posts. In Model BD-2 they are supported on the side walls by ceiling trusses which are bolted to the rails and rest on the side walls.

The bulkhead 40 is suspended from the transverse bar 42 by a bracket or hanger 54 which is provided with rollers 62 which roll along the transverse bar 42 and the bracket 54 carries a vertical axis pivot pin 52 which suspends the bulkhead over its center of gravity so that the bulkhead may be rotated about this vertical axis from a position transverse with respect to the car to a position longitudinal with respect to the car. The bulkhead may be moved transversely of the car by moving the bracket 54 along the transverse bar 42.

The bulkhead 40 is provided with lockpins 80 at each corner which move vertically and engage in openings 104 which are fixed with reference to the body of the car, to lock the bulkhead in position independently of the transverse bar 42. The openings engaged by the upper locking pins 80 are formed in horizontal flanges comprising the lower parts of the rails 32 and 34 which constitute the supporting tracks for the transverse bar 42.

* The charts DX AE-1, AE-2 and AF incorrectly illustrate the upper arm or flange of the C section as interrupted. It is stipulated (DX AR) that the charts are to be considered corrected to show that the upper angle of the rail also extends the full length of the car.

The foregoing description of the Preco Models BD-6 and BD-2 is equally applicable to the Evans DF-B bulkhead equipment which Evans claims embodies the invention of the patent in suit and which Evans has marketed since 1959 (TR. 164-5). In the Evans DF-B bulkhead equipment, which is illustrated in the Evans' brochure DX AG (TR. 157), the rails, as in the Preco Model BD-6, are secured directly to the side walls (TR. 484).

From a comparison of Preco's Models BD-6 and BD-2 with the essential features of the patent in suit, it will be seen that these models incorporate all of these essential features and embody the improvement in the art taught by the patent in suit. Thus, each of these models (BD-6 and BD-2) employs a bulkhead suspended from a transverse bar in a vehicle body by a connection which is movable along the length of the bar and which provides for pivotal movement of the bulkhead about a vertical axis. Each also includes rails on which the ends of the bar are supported to permit movement of the transverse bar on the rails along the length of the vehicle body. And finally, each of Models BD-6 and BD-2 has means for latching the bulkhead to the vehicle body in a plurality of positions along the length of the vehicle.

The Evans construction, as well as the accused Preco constructions, embody a feature known as a "timing shaft" or a "squaring shaft" which is not found in the Wells patent and which has been seized upon by Preco to create confusion respecting the question of infringement, and which, therefore, should be described briefly. The function of this device is to keep the transverse beam or bar 42 at right angles to the side walls as it moves along the length of the car. The provision of such means is necessary when a bulkhead is mounted in a boxcar because in such an in-

stallation the transverse beam is too high to reach and thus will tend to cock because it cannot be guided by hand. In a highway truck installation such as that chosen as the illustrative embodiment of the invention in the Wells patent, no such means is required (TR. 804-806).

The means to prevent cocking utilized by both parties in their commercial constructions is an old expedient in the bulkhead art* namely, to connect the wheels at the opposite ends of the transverse bar by a shaft so that the wheels are compelled to rotate in unison. Teeth are provided on the wheels and mesh with openings in the supporting tracks to prevent slipping. This arrangement insures that one end of the transverse bar cannot move longitudinally of the car in advance of the other.

This connecting shaft, which is called a squaring shaft or a timing shaft, has nothing to do with the invention of the patent in suit. While the provision of some means to prevent cocking is desirable even in a truck installation, and probably necessary when an installation is made in a box-car, they are known expedients in the art available for use when desired.

2) Accused Model BC-3

This model, which is illustrated in the charts DX AA and DX AB,** differs from the previously discussed Model BD-2 primarily in that it is a half-width bulkhead which is used in pairs to span the width of the boxcar. It also employs a track which is L-shape in cross section as dis-

* See the patent to Moriarity 1,388,819 of 1921 (PX 2-D) and TR. 588-590 and 607-8.

** For convenience of reference, a conformed copy of DX AB is reproduced in the Appendix hereto.

tinguished from the C section tracks of Models BD-2 and BD-6, and it has a modified design of transverse bar 42 which is tubular and the supporting bracket 54 embraces the bar which represents a mere reversal of parts as compared with the structure of the Wells patent.

3) Accused Model BC-4

Model BC-4 is illustrated in the charts DX AC* and AD. It is similar to the BC-4 model in that it is a half-width bulkhead and the tracks are L-shape in cross section rather than C-shape as specified in Claims 2 and 3. However, it is more nearly like the Wells patent in other respects than is Model BC-3. Thus, Preco has admitted that the transverse bar 42 of Model BC-4 satisfies the terms of the claims of the patent in suit (TR. 1229).

4) Model BE-2

Model BE-2 is shown in illustrations DX Y and Z. This is the model which was experimental, was never installed in a freight car and has never been sold (TR. 247 and DX AQ Interrogatory 17 and answer). It is generally similar to the Model BC-3 except that the transverse bar 42 is fixed to the supporting rollers and rotates with the rollers.

* For convenience of reference, a conformed copy of DX AC is reproduced in the Appendix hereto.

SPECIFICATION OF ERRORS

Evans relies on all of the errors of the District Court set forth in the statement of Points Upon Which Appellant Intends to Rely filed in this case (R. 409-13), but in the interest of brevity, the gist of those errors may be stated as follows:

(a) The Court erred in restricting the Wells patent to the illustrated embodiment of the invention and in giving the claim language an artificially restricted interpretation to support a holding of non-infringement.

(b) The Court, when comparing the language of the Wells patent claims with the accused constructions, erred in applying to the timing shaft of certain of the accused constructions the claim language calling for a transverse "bar" and using that misapplication of the claim to support a holding of non-infringement, when, in fact, the accused constructions incorporated another element which had the structural and functional characteristics of the "bar" specified in the claims.

(c) The Court erred in concluding that the accused structures avoided infringement because they incorporated features in addition to the combination of elements claimed by Wells when those added features did not change or impair the function and co-action of the claimed elements.

(d) The Court erred in concluding that the file wrapper of a subsequent patent obtained by Evans covering improvements over the Wells construction that are incorporated in some of Evans' commercial

constructions contained admissions by Evans supporting Preco's contentions regarding differences between the accused load dividers and the structure of the patent in suit.

(e) The Court erred in failing to hold that the Wells invention filled a long-felt need and achieved substantial commercial success.

(f) The Court erred in concluding that because elements like those specified in the claims of the Wells patent were found separately in the prior art where each functioned alone as it did in the Wells combination, that the combination claimed was an unpatentable aggregation of old elements, when in fact, they co-act to produce a useful result not hitherto achieved in the prior art.

(g) The Court erred in concluding that it would have been obvious at the time the Wells invention was made to conceive the combination of elements claimed in the patent.

(h) The Court erred in failing to hold that the Wells patent is valid and is infringed by each of the accused constructions.

SUMMARY OF ARGUMENT

The errors of the District Court are errors of law rather than fact since there are no disputed facts bearing on the questions of infringement and validity.

It is not disputed that the combination of elements disclosed and claimed in the Wells patent is novel. No one prior to Wells suspended a bulkhead by a vertical axis swivel from a trolley that was movable along the length of a transverse bar, which in turn was supported at its ends on longitudinal tracks so that it could move along the length of the transport vehicle or box car while supporting the bulkhead. That combination of elements in conjunction with means for locking the bulkhead to the vehicle body at any point along the length of the car provides a universally adjustable bulkhead which not only can be locked in load retaining position at any point along the length of the vehicle body, but can be stowed out of the way against a side wall *at any point along the length of the body* during loading and unloading and can easily and safely be operated by one man, even though it weighs well over a thousand pounds. No prior art so functioned or produced that result.

It is not disputed that the commercial "DF-B" bulkheads sold by Evans *and* the accused bulkheads sold by Preco have all of the above-stated features of the Wells patent combination.

It is not disputed that there has been a long felt need for a practical permanently mounted bulkhead in railroad box cars, and it is not disputed that Evans commercial "DF-B" bulkhead and the accused bulkheads have filled

that need and achieved remarkable commercial success, superseding all prior designs—none of which was widely used. There is no dispute as to the structure or mode of operation of either the Evans “DF-B” bulkhead or any of the accused bulkheads, the nature of which is disclosed in photographs and stipulated pictorial charts. And there is no dispute as to the existence, nature or mode of operation of the prior art relied upon by Preco, all of which is represented by prior patents.

The pivotal error of the District Court resides in an error of construction of the Wells patent claims which led to the conclusion that there was no infringement. This means, of course, that the Evans commercial bulkheads were also outside the scope of the Wells patent because they are substantially identical to accused Preco Model BD-2. That left the Wells patent in the category of a paper patent which was not entitled to the benefit of the fact that the substantially identical commercial constructions of the parties had filled a long felt need. This is crucial in view of the recent decision of the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1; 15 L. Ed. 2, 545, 556, which reaffirms the well established principle that where an invention fills a long felt need, there is a presumption that its conception was not obvious, since otherwise the need would have been filled promptly. Decisions of this Court applying this principle include *Kaakinen v. Peelers Co.*, 301 F. 2d 170 (1962); *Twentier's Research Inc. v. Hollister Inc.*, 319 F. 2d 898, 902 (1963); *Pursche v. Atlas Scraper & Engineering Co.*, 300 F. 2d 467, 474 (1961); *Neff Instrument Corp. v. Cohu Electronics Inc.*, 298 F. 2d 82, 87 (1961); *Hayes Spray Gun Co. v. E. C. Brown Co.*, 291 F. 2d 319, 322 (1961); *Stearns v. Tinker & Rasor*, 220 F. 2d 49, 58 (1955); *Pointer v. Six Wheel Corp.*, 177 F. 2d 153 (1949).

It is well settled that the construction of the claims of a patent, like that of any written instrument, is a question of law for the Court, *Hansen v. Colliver*, 282 F. 2d 66 (1960). In that case, this Court also held that (p. 69):

“—since the facts are not in dispute the question of infringement resolves itself into one of law, depending on a comparison between the patent claim in issue and the accused device, and the correct application thereto of the law of equivalency.” (citing cases)

In this case the District Court violated several principles of law in its construction of the claims of the Wells patent. First, it made an improper comparison of the claims with the accused structures by applying the term “bar” of the claims to the timing shaft rather than the bar marked 42 on the charts which illustrate the accused structures. Secondly, the District Court read unexpressed limitations into the claims, in effect, limiting the patent without justification to the specific embodiment of the invention disclosed by the patentees. This violates the principle that the question of infringement must be determined in the first instance by the language of the claim as distinguished from the illustrative embodiment of the invention disclosed. *Neff Instrument Corp v. Cohu Electronics Inc.*, 298 F. 2d 82, 88, C.A. 9, 1961, and *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607, 94 L. Ed. 1097, 1101. It also violated the principle stated in the above decisions that it is improper to give a patent claim a construction so limited that the principles of the invention may be enjoyed without liability by anyone except one who copies every literal detail. And the District Court’s “hypercritical reading of the claims” in this case was a clear violation of this Court’s ruling in *Pursche v. Atlas Scraper & Engineering Co.*, 300 F. 2d 467 (1961), which involved a closely analogous fact situation.

The District Court also erred in failing to recognize and apply the principle that one cannot avoid infringement by incorporating improvements in his construction so long as he continues to employ the patented invention, even though these improvements may themselves be patentable. *Temco Electric Motors Co. v. Apco Mfg. Co.*, 275 U.S. 319, 328, 72 L. Ed. 298, 302; *Neff Instrument Corp. v. Cohu Electronics Inc.*, *supra*, and *Hayes Spray Gun Co. v. E. C. Brown Co.*, 291 F. 2d 319, C.A. 9, 1961. Moreover, in this case there is no evidence that any improvements were incorporated in the accused bulkhead installations. The timing shaft feature, of the accused constructions, which was not found in the Wells combination, was known in the art before the Wells patent, as shown by the patent to Moriarity 1388819 of 1921, PX 2-D. Accordingly, at the date of the Wells patent it was in the public domain, and available to anyone for use when desired. Since it is an adjunct rather than a substitute for any part of the Wells combination, its presence or absence has no bearing on the question of infringement.

If the claims of the patent are properly construed, they read fairly upon the Evans DF-B bulkhead and also the accused constructions without the need for recourse to the doctrine of equivalents, except possibly in the case of accused Model BC-3 which embodies a reversal of parts over the structure specified in claims 2 and 3. Thus, claims 2 and 3 call for a channel-shaped transverse bar 42 with the bulkhead support movably mounted "in" the channel, and the Model BC-3 has a tubular transverse bar with the bulkhead support movably mounted on the *outside* of the bar. However, such reversals of parts do not avoid infringement where, as here, they do not change the function or result. *Oxnard Cannery v. Bradley*, 194 F. 2d 655, 658, C.A. 9, 1952. In any case, the question is academic in view of the fact that claim 1 is broad enough to cover either version.

The Patent Statute 35 USC 282 provides that:

“A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.”

Preco has sought to sustain its burden by proof that elements similar to those of the Wells patent combination may be found separately in the prior art. No evidence was adduced that can be said to suggest that they might be combined as taught by Wells; and no prior art is cited in which elements of any kind coact to produce the results achieved by the patented combination.

This type of attack on a patent is a familiar one since it can be made against any and all patents on mechanical devices. It can prevail only if it fairly supports a conclusion that the invention fails to meet the requirements of Section 103 of title 35 USC, which was recently sustained by the Supreme Court as “a codification of judicial precedents”*. That section provides:

“A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”

But the question of “obviousness” under Section 103 is a question of law to be resolved in the light of the facts, which in this case stand uncontroverted. See the *Graham* case* and this Court’s decision in *Elrick Rim Co. v. Reading Tire Machinery Co.*, 264 F. 2d 481, note 7 at 486 (1959).

* *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 15 L. Ed. 2d 545, 556.

In concluding that the Wells invention was obvious, the District Court made an error of law because it disregarded the well established principle that the validity of a patent on a new combination of elements cannot be attacked by piecing together elements found in a plurality of different prior combinations using the teachings of the patent in suit as a guide. *Goodyear Tire and Rubber Co. v. Ray-O-Vac. Co.*, 321 U.S. 275, 279, 88 L. Ed. 721, 724; *National Sponge Cushion Co. v. Rubber Corp. of Cal.*, C.A. 9, 286 F. 2d 731, 735; *The Troy Co. v. Products Research Co.*, 339 F. 2d 364, 366, C.A. 9, 1964; *No-Joint Concrete Pipe Co. v. Hanson*, 344 F. 2d 13, 14, C.A. 9, 1965; *Pursche v. Atlas Scraper & Engineering Co.*, 300 F. 2d 467, 478, C.A. 9, 1962; *Neff Instrument Corp. v. Cohu Electronics Inc.*, 298 F. 2d 82, 87, C.A. 9; *Ry-Lock Co. Ltd. v. Sears Roebuck & Co.*, 227 F. 2d 615, 618 (C.A. 9); *Coleman Co. v. Holly Mfg. Co.*, 233 F. 2d 71, 78, C.A. 9, 1956; *Pointer v. Six Wheel Corp.*, 177 F. 2d 153, 160 C.A. 9, 1949; *Payne Furnace & Supply Co. v. Williams-Wallace Co.*, 117 F. 2d 823, 826, C.A. 9, 1941.

The District Court also made an error of law in failing to give the Wells patent the benefit of the fact that it filled a long felt need. The importance of this factor in weighing the question of obviousness can hardly be exaggerated in view of the recent decision of the Supreme Court in the Graham case and the cases in this Circuit cited above at page 23.

Finally, the District Court erred in holding that the most pertinent prior art was cited in the Patent Office. Preco has offered no art disclosing the claimed combination. Not one prior patent discloses a swivel mounted on the trolley of a traveling transverse bar or beam let alone such a combination used as a suspension for a bulkhead. The best Preco can say is that the prior art relied upon shows that elements similar to those utilized in the Wells combination are found

separately in the prior art. But this was established by the prior art cited by the Patent Office.

The undisputed facts require a conclusion as a matter of law that the Wells patent is valid and has been infringed by the accused bulkhead constructions of Preco.

ARGUMENT

I. Infringement

A. In General

As can be seen from the previous descriptions of the Wells invention and the several accused constructions, the latter clearly embody every essential feature of the invention. Their structure is essentially the same as that of the patent and they function in the same way to produce the same result. This is enough to establish infringement without regard to specific claim language. However, as pointed out below, the claims are fairly applicable to the accused structure.

B. Preco Models BD-6 and BD-2

1. The Claims Read in Terms Upon Preco Models BD-6 and BD-2

The typed statements on claim charts (DX AZ-1, 2 and 3)* which set forth the gist of the testimony of Evans'

* These claim charts were originally attached to Evans' trial brief but during the trial the Preco expert, Chestnut, wrote the word "No" in red on the statements with which he disagreed (TR. 1099-1104, 1113-1130, 1145-46). By agreement, these charts were then received in evidence as DX AZ-1, 2 and 3 to illustrate the positions of the parties (TR. 1233-1236 and 1243-44), and they are referred to for that purpose in the District Court's findings. For convenience of reference, conformed copies of these claim charts DX AZ-1, 2 and 3 are reproduced in the Appendix hereto.

expert witness Nickerson (Tr. 600-666) clearly show how the language of the three claims of the patent in suit, which is set out under column one, reads on the structure disclosed in the patent in suit (see column 2). In column three these charts show how the claim language reads, in the same sense, on the accused Model BD-2, which is illustrated in the charts DX AE-1, AE-2 and AF. This third column is equally applicable to Model BD-6, and in fact, the clause (e) of Claim 1 and (d) of Claims 2 and 3 find an even more direct response in Model BD-6 where the rails are *admittedly* mounted directly on and carried by the side walls (TR. 130, 248).

2. The District Court was Misled by Preco's Gross Misapplication of the Claim Language

Preco has sought to evade the consequences of the clear readability of these claims on the accused devices by intentionally misapplying the claims to the accused structures and by entirely distorting the claims. This has been done by intentionally selecting the wrong part of the accused structure on which to read a critical part of the claim. Specifically, the language "bar" of Claim 1 or "transverse bar, channel-shape in cross section" of Claims 2 and 3 is said by Preco to refer to the timing shaft, whereas it should be applied to the transverse bar 42 of the accused structures (TR. 1103, 1104, 1118, 1121).

3. Claim 1

If the transverse channel shaped member 42 in the accused Model BD-2 (DX AE-1, AE-2 and AF) is considered the "bar" specified in the clause of Claim 1, which is designated (g) in claim chart AZ-1, as it obviously should, then the remainder of the claim is clearly applicable to the accused Model BD-2. However, Preco's expert witness

Chestnut, by misapplying the term "bar" to the timing shaft of the accused construction instead of the transverse bar 42, had no difficulty in finding that other language of the claim did not fit. Thus, he testified that the clause in Claim 1 which is designated (j) in the claim chart and which specifies a pivotal connection between the partition and the "bar" was not readable because the accused construction lacked a pivotal connection *to the timing shaft* (TR. 1115-16), although it obviously had such a connection to the transverse bar 42. Similarly, he testified that the clause (k) which calls for means slidably mounting the pivotal connection on the bar was lacking because the corresponding means in the accused construction did not slidably mount the pivotal connection *on the timing shaft* (TR. 1117), although it obviously did so mount the connection on the transverse bar 42. This ridiculous house of cards collapses in its entirety if the term "bar" is applied to the channel shaped member 42 of the accused construction.

It is difficult to see how the District Court could have been deluded by such transparent artifice. This is particularly so since Chestnut's house of cards was built on the premise that the "bar" of the claim *had* to be applied to the timing shaft of the accused device, and yet at the same time he testified that it could *not* be applied to the timing shaft because the timing shaft was not "slidably mounted on the rails" as required of the "bar" specified in the claim (TR. 1103-4), although it is not disputed that the transverse bar 42 of the accused construction is "slidably mounted on the rails" (TR. 1104, 1177, 1226-27, 1229-30, 1233).

The *sole* ground on which Chestnut justified his refusal to apply the term "bar" to the member 42 of the accused

Model BD-2 was that it was not “supported by the rails” (TR. 1228-9). This is an obvious error, since the entire weight of the transverse bar 42 and the associated bulkhead of the accused Model BD-2 rests on the rails through the supporting wheels or rollers 48. The transverse bars 42 of both the Wells patent and the accused Model BD-2 are supported on the rails by rollers mounted at the ends of the bar. The only difference between them is that the accused Model BD-2 the supporting rollers are connected by a shaft (the “timing shaft”) so that they will rotate in unison. It was Chestnut’s theory that the channel-shaped bar 42 of the accused BD-2 construction was supported on the timing shaft on which the supporting rollers 48 are mounted rather than on the rails, but since the timing shaft is admittedly supported on the rails (TR. 1104), the rails necessarily support everything mounted on the timing shaft, including the transverse bar 42.

It is submitted that the entire testimony of Preco’s expert Chestnut, is completely discredited by this patently fallacious testimony. Moreover, the fact that Preco continued to urge this position is a measure of the lengths to which it feels it must go to escape a judgment of infringement. Finally, the fact that the District Court adopted wholesale this distorted view (Finding No. 32, R. 395) indicates a failure on the part of the District Court to understand the relatively simple mechanisms involved in this case.

Preco seeks to escape the reading of other clauses of Claim 1 on Model BD-2 by a hypercritical reading of the claim. Clause (d) recites a row of detents carried by at least one of the walls and clause (e) recites oppositely disposed rails carried by said walls. The contention of Preco that these clauses do not read on Model BD-2 is based solely

on the assertion that the rails and detents are not "carried by the walls" (TR. 1245). This contention is not applicable to the Model BD-6 for there the rails are admittedly mounted directly on the side wall posts (TR. 130, 248) and therefore, the rails as well as the row of detents formed therein are clearly carried by the walls.

The Model BD-2 differs from the Model BD-6 only in that rails 32 and 34, rather than being secured to the side walls by brackets welded to the side wall posts, are secured to the side wall structure through horizontal ceiling trusses to which they are bolted and the ends of which are supported on a longitudinally extending wood beam which is secured to the eave plate or side plate, which is the top of the side wall at the junction between the side wall and the roof (Konrad TR. 233). The weight of the track, which is bolted to the truss, is carried by the side wall construction (Konrad TR. 237). As explained by Mr. Amig, who was deeply involved with freight car construction throughout a lifetime with The Pennsylvania Railroad, the side wall of a boxcar or refrigerator car consists of the side sill at the bottom, the posts, the outside sheets, the lining and the top side plate (TR. 493-4).

The claim language here under consideration requires only that the rails and a row of detents be "carried by" the walls and does not require connection *directly* to the side wall with no intermediate parts. Even Preco recognizes that this language reads on Model BD-6 although there the rail is connected to the side wall post through the parts best shown in the photograph DX AN-6 which was taken after these connecting parts had been chalked to better show in the photograph. Clearly, it makes no difference whether the rails are connected to the side wall through these connecting parts or as in Model BD-2 through a truss which is connected to and carried by the side wall.

This very type of hypercritical reading of the claims was rejected by this Court in *Pursche v. Atlas Scraper & Engineering Co.*, 300 F. 2d 467 (1962). The patent there involved related to a plow and it was argued that two of the claims were misdescriptive because they described the lift means for raising and lowering the plow share carrier as "connected with the cross member" of the plow frame, whereas the drawing showed the lift means attached to the side members of the frame. This Court stated, pages 478-9:

"We think the argument is not only patently tenuous but requires a hypercritical reading of the claims. If by 'lift means' Pursche meant the device that serves to raise the carrier rather than the mode of performing the raising and lowering function, nevertheless the 'lift means' are attached to the side members of the frame of the plow and these side members in turn are attached to the cross-member designated in the two claims. Although the 'lifting means' are not directly connected to the cross-member they are joined to it by that intermediate connection, and are therefore 'connected with the cross member'.

"Moreover, as a legal proposition the argument is likewise unsound; every embodiment of an invention need not be described in the specifications nor illustrated by the drawings in a patent so long as the form of the device is not the principle of the invention.

" 'It is enough if the invention be described together with that mode which is conceived to be the best for putting it into practical use; and where that has been done, the patent is not confined to the precise mode outlined.' *Chicago Pneumatic Tool Co. v. Hughes Tool Co.*, 97 F. 2d 945, 946 (10th Cir. 1938); see also, *Cameron Iron Works v. Stekoll*, 242 F. 2d 17, 20 (5th Cir. 1957).

“Conversely stated, the claims need not set out the exact same structures as are shown in the drawing or described in the specifications so long as the differences between them do not encompass the invention itself.

“The essential features of the invention are stated whether the ‘lifting means’ is directly or remotely connected to the cross-member.”

This same argument, that the detents are not carried by the side wall, is the sole basis for the denial that clause (1) of Claim 1 reads on the Model BD-2 (TR. 1252) and accordingly, this denial also is unwarranted.

The only remaining clauses of Claim 1 (as shown on the chart DX AZ-1) which Preco contends do not read on Model BD-2 are clauses (f))and (h). The contention with respect to clause (f) is that the rails are not located above the upper row of detents. Mr. Chesnut, the expert witness for Preco admitted that it didn't make any difference how close the upper row of detents was to the rail (TR 1222). In the Model BD-2 construction the supporting function of the rails 32 and 34 is performed by the upper surface of a horizontal flange at the bottom of the rail. The row of detents is in this bottom flange, the holes thereof extending downwardly from and therefore are below the supporting surface of the rail. It is respectfully submitted that, having in mind the principle of claim interpretation that it is the duty of the Court to construe the claims so as to give effect to the grant rather than to destroy it, clause (f) may be fairly read on Model BD-2.

Clause (h) recites that the rails are constructed for guiding the movement of the transverse bar longitudinally of the rails. In both the patent in suit and in the accused Model BD-2 the rails guide the transverse bar during such movement by restraining it to movement in a horizontal

plane, which is done by providing a horizontal planar surface on each rail which supports one end of the transverse bar during such movement. Preco's expert, Mr. Chestnut, in testifying regarding the prior art Dixon patent (PX 2-N) stated that keeping the bar in a horizontal level plane is a guiding function and he further admitted that the claims don't specify any particular guiding function (TR. 1181). Also, in both the patent in suit and in Model BD-2 the rail co-operates with the transverse bar and guides it to restrain movement of the transverse bar transversely of the track. Preco's witness, Mr. Beemer, who was chief engineer and vice president in charge of engineering during the development of the accused devices, admitted that the rail co-operates with the sprockets to prevent slippage of the transverse bar, both longitudinally of the rail and transversely of the rail (TR. 443). This testimony of Messrs. Chestnut and Beemer confirms that of Evans' expert Mr. Nickerson, leaving the evidence undisputed that in the accused Model BD-2, the rails are constructed for guiding the movement of the transverse bar along the length of the rails.

The decision of this Court in *Hansen v. Colliver*, 282 F. 2d 66 (1960) is particularly pertinent here. The patent there related to means for interchanging the cores in wire ropes and the claim recited a stationary support having a guide through which the rope is drawn. While the guide disclosed in the patent there in suit was tubular, the table top guide in the device there accused was held to be an equivalent. In so holding, the court pointed out that the guide mentioned in the claim is not amplified therein, its form and shape is not specified; and that the general statement of the invention makes no specific reference either to the guide sleeve or to its form. The Court stated, pages 68-69.

“Claim 1 does not describe that the rope shall be guided by any particular means or that the guide be of any prescribed shape or form. It appears to us that the limitation of claim 1 by the trial court to a tubular or enclosed guide is contrary to the well established rule of construction that a broad claim will not be construed to contain limitations expressed in the more narrow claims. *Smith v. Snow* (1935), 294 U.S. 1, * * *”

“In our view the proper construction of claim 1 requires a ‘guide’ but does not require a guide of any specified shape or form or that the rope shall be guided by any particular means. While we are inclined to disagree with the view of the district court that the table top of appellees’ device is not a guide and therefore does not literally infringe appellant’s patent, we are wholly satisfied that the undisputed facts compel the application to this case of the doctrine of equivalents. The doctrine is applicable if the accused device performs substantially the same function in substantially the same way to obtain the same result as that claimed for the patented device, *Sanitary Refrigeration Co. v. Winters* (1929), 280 U.S. 30, 42, 3 USPQ 40, 44; *Graver Mfg. Co. v. Linde Co.*, (1950), 339 U.S. 605, 85 USPQ 328.”

These arguments by Preco adopted by the District Court amount to limiting the claims to the specific embodiment shown in the patent in suit. Since this is neither required by the claim language nor required to avoid the prior art, this is clearly improper. This is clearly stated by the Supreme Court in *Smith v. Snow*, 294 U.S. 1, 11, 79 L. Ed. 721, 728.

“We may take it that, as the statute requires, the specifications just detailed show a way of using the inventor’s method, and that he conceived that particular way described was the best one. But he is

not confined to that particular mode of use since the claims of the patent, not its specifications, measure the invention."

This rule was applied by this Court in *Hayes Spray Gun Co. v. E. C. Brown Co.*, 291 F. 2d 319, 326-7 (C.A. 9) 1961.

It will thus be seen that when Claim 1 is properly construed it clearly reads upon and is infringed by the construction of the accused Model BD-2 and that *a fortiori* the same is true of Model BD-6. The District Court not only accepted these fallacious arguments by Preco, but it blindly adopted Finding of Fact 32 submitted by Preco which included, along with the above discussed clauses (d), (e), (f), (g), (h), (j), (k) and (l), clause (i) and by so doing the Court found as a fact that Preco's Model BD-2 does not include "a partition member". The contentions of Preco never went this far and this is clearly error.

Accordingly, there is no basis whatever for the District Court's adoption of the Preco denials that the language of Claim 1 is applicable to accused Models BD-2 and BD-6 and therefore, these models clearly infringe Claim 1.

4. Claim 2

What has been said above with reference to Claim 1 is also generally applicable to Preco's contention that Claim 2 does not read on the accused Model BD-2, all of which were adopted by the District Court. Specifically, when clause (e) (referring to the claim chart DX AZ-2) is properly construed as reading on the transverse bar 42 rather than the timing shaft, the basis for Preco's denial that clauses (e), (f), (h), (i) and (j) read on Model BD-2, vanishes.

The clauses of Claim 2 which remain to be considered are clause (c) which recites that the tracks are C-shape in cross section, clause (d) which adds that they are carried by the upper parts of the side walls, and clause (k) relating to the locking means.

With respect to clause (c), the rails or tracks 32 and 34 in Model BD-2 are formed of two full length angles (see stipulation DX AR) which are welded together to form a C-shape. Accordingly, there is no basis whatever for a denial that the accused Model BD-2 has "tracks, C-shape in cross section".

In this connection the chart DX AZ-2 states in the third column with reference to the tracks of Model BD-2, that they are L-shape in cross section. This is the error that was corrected by the stipulation DX AR.

The rails are carried by the upper parts of the side walls as called for in clause (d), as pointed out above in considering clause (c) of Claim 1.

Clause (k) specifies that the locking means are "on an edge" of the partition and "engage a side wall of the vehicle body." In the Wells patent structure the locking means are bolts or pins 80 which engage in holes in bars 100 and 102 which are not normal parts of the side wall but are secured to the usual stake truck side wall. The locking pins 80 at the top edge of the Model BD-2 bulkhead engage the lower flange of the tracks 32 and 34 which are fixed with respect to and are carried by the side walls 18 and 20 and it is believed that this is the full equivalent of the locking means recited in clause (k) positioned to engage a side wall. Claim 2 thus clearly reads on Model BD-2 and

therefore, also on Model BD-6. In addition, the locking pins 80 at the bottom of the Model BD-2 bulkhead engage floor detents positioned adjacent the side walls. This is an obvious equivalent of an engagement with the wall.

Accordingly, there is no basis whatever for the District Court's adoption of the Preco denials that the language of Claim 2 is applicable to accused Model BD-2 and BD-6 and therefore, those models clearly infringe Claim 2.

5. Claim 3

Referring to the claim chart DX AZ-3, here, again, when clause (e) is read on the transverse bar 42 it is seen that there is no longer any basis for Preco's denial that clauses (e), (h) and (j) read on the Model BD-2, and yet again, all of Preco's denials were adopted by the District Court. Also, as in the case of Claim 2, when it is considered that the tracks are two angles welded together, and it is appreciated that both angles are continuous (stipulated in DX AR), it is apparent that the tracks are clearly C-shaped. There is, thus, no proper basis for Preco denying that clause (c) reads upon Model BD-2 and since this denial was the basis for denial with respect to clause (f), (TR. 1254-55), there is clearly no proper basis for that denial.

The denial with respect to clause (k) is based on Preco's claim that its latch bolts are not mounted in side edges. The claim clearly is not limited to *side* edge mounting, saying broadly, "latch bolts slidably mounted in the edges". This clause reads directly on Model BD-2 and in any event, latch bolts at the corners are the full equivalent of latch bolts in the side edges. Accordingly, the denial with respect to clause (k) is improper and it clearly reads on Model BD-2.

The denial by Preco that clauses (l), (m), (n) and (o) read on Model BD-2 is based on the denial that clause (k) reads on Model BD-2 and a bare assertion that the structures are different (TR. 1122, 1123, 1255-7), and each of these denials is therefore also improper in view of the fact that they do have in common the features specified in the claim. The difference, for example, of having one handle in place of the two of the patent in suit does not avoid infringement. This is clearly stated in *No-Joint Concrete Pipe Co. v. Hanson*, 344 F. 2d 13 (C.A. 9) 1965, at page 15,

“A substantial body of law recognizes that infringement is not avoided by making into one part that which has been shown as two. (citing cases).”

Clause (d) of Claim 3 relates to the tracks being carried by the side walls and Preco's denial that this clause reads on Model BD-2 is clearly wrong for the reasons stated at length in considering Claim 1, clause (e).

Accordingly, there is no basis whatever for the court's adoption of the denials by Preco that Claim 3 reads on the Models BD-2 and BD-6 and therefore, Model BD-2 and Model BD-6 clearly infringe Claim 3.

By these arguments Preco led the District Court into clear error in its findings and conclusions regarding infringement.

When the claims are properly construed and applied, the following language from *Intricate Metal Products Inc. v. Schneider* 324 F. 2d 555 (C.A. 9) 1963, is also applicable here, page 559,

“If, in any minor respect it may be said that the elements of the accused device differ from those of the claims, nevertheless the two devices are so sub-

stantially identical in function, method, and result that the doctrine of equivalents clearly applies in favor of the appellees.”

6. The Errors of the District Court as to Infringement Are Errors of Law

From the foregoing it is clear that the District Court has improperly construed the patent claims by limiting them to the specific embodiment of the invention illustrated and described in the patent. This is clearly an error of law. *Hansen v. Colliver*, C.A. 9 (1960) 282 F. 2d 66.

In making this error the District Court was blinded by the differences between the embodiment illustrated and described in the Wells patent and the commercial structures of the parties, and failed to recognize that these structures have filled a long-felt need and achieved commercial success *because common to all of them is the new combination of elements claimed in the Wells patent.*

The differences which exist between Preco's Model BD-2 and its Model BD-6, on the one hand, and the embodiment of the Wells *et al.* invention disclosed in the Wells *et al.* patent in suit, either are differences which result from embodying the Wells *et al.* invention in bulkhead equipment for use in a railroad freight car, which was contemplated by Wells *et al.*, as pointed out above and in the specification of the patent in suit (DX A column 1, lines 1-5), or are differences which result from the addition of improvements. In either event, the differences do not avoid infringement. It is an elementary principle of patent law that it is the claims of a patent which are infringed and that the scope of a patent claim is determined in the first instance by the language of the claim. *Neff Instrument Corporation v. Cohu Electronics Inc.*, 298 F. 2d 82, 88

(C.A. 9—1961); *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 607, 94 L. Ed. 1097, 1101. The above mentioned differences between the Models BD-2 and BD-6 and the embodiment of the Wells et al invention disclosed in the Wells et al patent do not in any way prevent a clear reading of the claims of the Wells et al patent upon Models BD-2 and BD-6 and therefore, in no way negatives infringement.

It also appears that the District Court felt that the incorporation in the commercial structures of improvements over the basic Wells construction reflected adversely on the Wells patent. The reverse is true. It is only the most useful inventions that prompt the tribute of improvement by subsequent inventors. It would be safe to guess that thousands of patents have been granted covering improvements in the basic telephone invention of Alexander Graham Bell and yet our present highly refined telephone system employs Bell's invention and would infringe his patent if it were not expired.

It is a well settled principle of patent law that one who employs all of the features of a patented invention does not avoid infringement by reason of the fact that he has improved the invention or added other features to it. This was stated by the Supreme Court in *Temco Electric Motor Co. v. Apco Mfg. Co.*, 275 U.S. 319, 328, 72 L. Ed. 298, 302:

"It is well established that an improver can not appropriate the basic patent of another and that the improver without a license is an infringer and may be sued as such. * * *

"* * * We must consider that the Storrie patent was really an appropriation of the original design of the Thompson patent, whether it be as we think it was, a patentable improvement thereon, or the mere equivalent of the casing and hanger."

This principle was followed by this Court in *Neff Instrument Corp. v. Cohu Electronics Inc.*, *supra*, at page 89; *Hayes Spray Gun Co. v. E. C. Brown Company*, 291 F. 2d 319, 326 (C.A. 9—1961). Thus, for example, infringement is not avoided by the addition in the Preco Models BD-2 and BD-6 of the timing shaft feature, which is also employed in the Evans DF-B bulkhead equipment which has been on the market since 1959 and which embodies the invention of the Wells et al patent in suit. While the addition of this feature prevents the transverse bar from becoming cocked by one end advancing along the car ahead of the other, and while this is desirable when the Wells et al invention is embodied in a bulkhead for installation in a railroad boxcar, it in no way avoids infringement. Similarly, neither the addition in Preco's Models BD-2 and BD-6 of the feature of supporting the bulkhead directly on the floor through shoulders on the lower locking pins when the bulkhead is in locked position, to relieve the load on the transverse bar, nor the addition of the feature enabling the locking of the bulkhead when it is positioned against the side wall, in any way avoids infringement.

The contentions of Preco that there are differences which negative infringement are typical of the contentions commonly made by infringers who usually can point to differences. As stated by the Supreme Court in *Graver Tank Co. v. Linde Air Products Co.*, *supra*, at 339 U.S., pp. 607-608,

“But courts have also recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for—indeed encourage—the unscrupulous copyist to make unimportant and insubstantial changes and

substitutions in the patent which, though adding nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law. One who seeks to pirate an invention, like one who seeks to pirate a copyrighted book or play, may be expected to introduce minor variations to conceal and shelter the piracy. Outright and forthright duplication is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.

“The doctrine of equivalents evolved in response to this experience. The essence of the doctrine is that one may not practice a fraud on a patent.”

The District Court found (Finding No. 42, R. 399) that the contentions of Preco regarding the differences between the accused structures and the embodiment of the Wells et al patent shown therein, were supported by the admissions in the file wrapper (PX 59) of Evans' Patent No. 3,209,707. The statements to which attention was directed during the cross examination of Mr. Moorhead all appear in arguments of counsel to the effect that the claims presented therein are improvements over the prior art, including the Wells et al patent here in suit. Clearly, the arguments that the structure of Patent No. 3,209,707 involves improvements over the teaching of the Wells et al patent are in no way an admission that the structure of 3,209,707, or any of the accused structures, does not employ the invention of and is not an infringement of the Wells et al patent. Even the granting of Patent No. 3,209,707, while it results in a presumption that the invention claimed therein is valid, does not give rise to any presumption that the structure thereof

does not infringe the Wells patent in suit. *Pursche v. Atlas Scraper & Engineering Co.*, 300 F. 2d 467, 482 n. 18, (C.A. 9). The claims in support of which these arguments were made were directed to details not shown in the Wells et al patent, but the structure disclosed in 3,209,707 clearly embodies the invention of and infringes the Wells et al patent.

It is believed that this Finding No. 42 was clearly erroneous both because the arguments in no way indicate that the accused structures do not infringe the Wells et al patent and because in any event, this type of thing is not a proper admission against interest and should properly have been excluded as was done in *Catalin Corp. of America v. Catalazuli Mfg. Co.*, 79 F. 2d 593 (C.A. 2) 1935, where the court stated, page 597,

“There remains only the judge’s refusal to admit in evidence a patent to one, Pantke, owned by the plaintiff, but issued later than the patent in suit. During its prosecution the solicitor made declarations which the defendant wished to use as admissions against interest, thus entangling the patent in suit not only in all that that solicitor might say who secured it, but in whatever another solicitor might say in securing another patent for the same client. Certainly it is an answer to this that such declarations should not charge the patentee at all. When an inventor retains a solicitor, the solicitor’s declarations no doubt do charge him when relevant, so far as concerns the issuance of that patent; his retainer implies that that solicitor may in reason do what he thinks best to secure it. With equal certainty it does not imply a like authority to affect a patent already granted even to the same inventor. The solicitor has no warrant for assuming that to secure the new patent his client would wish to throw doubt upon the validity of the first, or to limit its

scope. The judge was therefore right so far as any declarations in the file wrapper of the Pantke patent went."

7. There is No File Wrapper Estoppel

This is not a proper case for the application of the principle of file wrapper estoppel. Preco argued and the District Court held that by virtue of the amendment of Claim 1 of the patent in suit, cancelling the word "movable" and substituting "slidably mounted on said rails", Claim 1 is limited by the principle of file wrapper estoppel to a structure in which the transverse bar is slidable and cannot be construed to cover a transverse rotatable bar. At the outset, it should be noted that even assuming this holding to be correct, it has no application to the question of infringement of Claim 1 by Models BD-6, BD-2, BC-3 and BC-4 when clause (g) of Claim 1 (see DX AZ-1) is properly construed, as pointed out above, to read on the transverse bar 42 rather than the timing shaft, for in each of these models the transverse bar 42 does not rotate. It is not disputed that bar 42 is slidably mounted (see p. 30).

Only in Model BE-2, which was never sold or put in a freight car, as pointed out above, does the transverse bar 42 rotate. While it is believed that this model should be disposed of as controlled by the *de minimis* doctrine, if the Court chooses to pass on the merits of the infringement by this model, it is submitted the holding of the District Court of file wrapper estoppel is clearly erroneous. The doctrine of file wrapper estoppel dictates that one whose claim is rejected on prior art and who amends his claim to distinguish over such prior art, cannot after issuance of his patent give his claim as amended, a construction which would read on the prior art over which he sought to distinguish by amendment. In the present case Claim 1 was rejected

(PX 1, page 15) on Laffey No. 1,522,784 (PX 2-E), the examiner stating that the bar 14 which is shown in Figure 1 of Laffey as extending across the car and having its ends embedded in the side walls, could be moved to any desired position along the side walls and secured thereto. By this the examiner meant that the bar 14 could be disconnected from the walls to which it appears to be secured in fixed position and carried by hand or otherwise to a new location. Evans cannot now, after the amendment of Claim 1 to distinguish from Laffey, give this amended language of Claim 1 a construction which would read on Laffey, but no further limited construction is required by the doctrine of file wrapper estoppel. The language "slidably mounted on said rails" to distinguish from Laffey need be no more limited than to mean *supported while moving on said rails*, the construction given to this language by Nickerson (TR. 606). There is nothing in the rejection on Laffey which justifies limiting the construction of this language to a transverse bar which does not rotate. Therefore, Finding No. 41, that it should be so limited is entirely unfounded and clearly erroneous, even as to the Model BE-2 construction.

C. Accused Model BC-3

Since most of the claim language is applicable to Model BC-3 in the same manner as to the Model BD-2 previously discussed, the following comments are limited to those respects in which there is any difference.

The fact that the bulkhead is only half-width does not change its structural character or mode of operation. The claims of the patent may be applied to one of the half-width bulkheads. While this means that the tracks and detents at one side edge of the bulkhead are spaced from the side

walls, they are nonetheless carried by the side walls through the ceiling trusses.

Whereas the rails or tracks in the BD-2 Model were truly "C-shape in cross section", as required by limitation (c) of Claims 2 and 3, those in Model BC-3 are more accurately described as L-shape in cross section since the upper horizontal leg is not continuous but consists of a series of spaced angle brackets. This is an immaterial difference in form since it has no bearing on the function of the track. Moreover, the difference in form is slight. As pointed out in the testimony of Nickerson, the L-shape track performs all of the functions of a C-shape track in substantially the same manner (TR. 623-4 and 638) and can be considered a crude form of C. There is nothing in the prior art to require a narrow limitation of this expression. In fact, there is no novelty in the C-shape track since it is found in the prior patent to Harris, No. 1,825,452, PX 2-J.

Accordingly, to construe limitation (c) of Claims 2 and 3 so narrowly as to find no infringement based on a difference between the form of the track in the Model BC-3 and that of the Wells patent was clear error. That same error extends to the holding that limitation (f) in Claim 3 is not applicable to the BC-3 Model, because the sole basis on which that limitation was alleged to fail to read on the Model BC-3 was that that model lacked a C-shape track (TR. 1254-5). It would also extend to the similar holding as to limitation (f) of Claim 2, for which there is no supporting testimony other than the bare unexplained entry of the word "No" on the chart, DX AZ-2.

In Model BC-3 the transverse bar 42 is tubular and the supporting bracket embraces the transverse bar. This is a simple reversal of parts from the construction shown in

the patent in which the channel-shaped transverse bar embraces the supporting bracket 54. Claim 1 is broad enough in terms to cover this aspect of the Model BC-3 construction, but Claims 2 and 3 specify (e) that the transverse bar is channel-shape in cross section and (i) that means are provided for movably mounting the bracket "in the bar". There is nonetheless, infringement of Claims 2 and 3 also because it is well established that a mere reversal of parts does not avoid infringement. See *Oxnard Cannery v. Bradley*, 194 F. 2d 655 (C.A. 9, 1952) where this Court stated, page 658,

"The transposition of parts of a machine does not avert infringement, where the parts changed continue to perform the same respective functions after the change as before."

Preco does not pretend that the reversal of parts in this instance resulted in any change in function.

D. Accused Model BC-4

This model is another half-width bulkhead but Preco admits that the transverse bar 42 of Model BC-4 satisfies the terms of the claims of the Wells patent (TR. 1229). Preco, accordingly, admits, as shown by the absence of "Noes" on DX AX-1 that clauses (g), (j) and (k) of Claim 1 read on Model BC-4. Similarly, Preco admits, as shown by the absence of "Noes" on DX AZ-2, that clauses (e), (h), (i) and (j) of Claim 2 read on Model BC-4.

Consistent with the above, the District Court in Finding No. 39 did not include limitations (e), (h) and (i) of Claim 3 among those which covered features "not found in plaintiff's C-4 model".

However, the Court erroneously included limitation (j) of Claim 3 in the list of those covering features not found in the BC-4 model. This clause calls for a swivel joint suspending the partition from the bar 42. While Chestnut had applied a "No" to this clause, in the BC-4 column of DX AZ-3, he testified that his basis for doing so was his theory that the transverse bar of the claim had to be the timing shaft (TR. 1255). Actually, he had previously testified that the "transverse bar" specified in all claims was fully satisfied by the channel-shaped bar 42 of Model BC-4 (TR. 1229) and he had not applied a "No" to the corresponding limitations (j) in Claims 1 and 2 on the claim charts DX AZ-1 and DX AZ-2 in the BC-4 column. It thus appears that the District Court has adopted an obvious mistake of the witness.

E. Model BE-2

Model BE-2 is shown in illustrations DX Y and Z. This is the model which was experimental, was never installed in a freight car and had never been sold (TR. 247 and DX AQ Interrogatory 17 and answer). There is no evidence of any intention to sell or use this or any similar construction. Accordingly, it is not believed to be of sufficient importance to justify the Court's time in considering and ruling upon it. As pointed out above, the doctrine of *de minimis* is applicable here and the findings and conclusions relating to this model should be vacated on that ground. This model was apparently made after the other models (TR. 246-47). All of the circumstances suggest that it is a red herring created for purposes of this lawsuit. If this be true, it does not represent a genuine controversy between the parties.

If, however, the Court should prefer to pass on the merits as to this model, it is submitted that it clearly infringes Claim 1 as pointed out on the claim chart DX AZ-1, and that Finding No. 37 that clauses (d), (e), (f), (g), (h), (k) and (l) are not found in Model BE-2 is clearly erroneous. These clauses, except for the omission of clause (j) are the same ones dealt with in considering the infringement of Claim 1 by Model BD-2 and BC-4 and the same reasoning is applicable here to show that these clauses read on Model BE-2. It should be further pointed out that in this model the rollers which support the transverse bar on the rail are fixed to the bar and the entire transverse bar rotates with the rollers. As pointed out in detail under the heading "There is No File Wrapper Estoppel", this is not inconsistent with the ends of the bar being slidably mounted on the rails in the sense in which this is used in Claim 1.

II. Validity

A. The Indicia of Invention

The undisputed facts, as reviewed earlier herein, demonstrate beyond any question that a very serious need existed over a long period of time for improved equipment for bracing freight in freight cars. This need is convincingly demonstrated by the claims against the railroads for damage to freight which ran into many millions of dollars every year (TR. 471). The undisputed facts further show that the railroads and the suppliers were working on this problem for many years (TR. 474-484) and that many patents have been granted on bulkhead equipment directed to this problem (PX 2, AT). Both of the parties to this case worked for many years on this problem and in particular, on the development of bulkhead equipment for railroad cars (TR. 425-7, 912).

The undisputed facts also show that when Evans brought out its first bulkhead embodying the invention of the patent in suit, which it designated its DF-B equipment, it met with an immediate and remarkable commercial success (TR. 164-66, DX AJ). Also, in addition to the large sales by Evans, the commercial success is further demonstrated by Preco's sales of the accused bulkheads and by the license under the patent in suit taken by Unarco Industries, Inc. (DX AK), a competitor in Chicago providing for a lump sum payment by Unarco, royalties to Evans, and a license to Evans under a Unarco patent, and the consent decree (DX AL) against Unarco holding the patent here in suit valid and infringed. A suit for infringement of the patent here in suit is also pending in Peoria, Illinois against Transco, Inc., a fourth competitor in this industry (TR. 828-30).

Evans had previously marketed its QL bulkhead (TR. 185, 483, 912 PX 57 A-D), but when it brought out its DF-B bulkhead, it became its first really commercially successful bulkhead (TR. 872-3). Preco, which had developed bulkheads of its own design as early as 1940 and 1941 (PX 42 A-D, 43 A-C, 44 A and B and TR. 425-27) to which Wieden Patent No. 2,360,029 (PX 2-O) related (TR. 292), and later developed its bulkhead design shown in Margarian Patent No. 3,063,388 (PX 50-A, TR. 328, 342), nevertheless paid the Wells patent in suit the compliment of marketing the accused designs embodying the invention of Wells and abandoning all prior designs. These facts, added to the marketing by Unarco of its admittedly infringing designs shown in the material attached to the agreement (DX AK) licensing it under the patent here in suit and the marketing by Transco of its bulkheads which are the subject of a suit against it by Evans for infringement of the patent here in

suit (TR. 828-30), show that the entire industry has adopted designs embodying the invention of the Wells patent here in suit.

These circumstances, the existence of a long-felt need and the commercial success of equipment embodying the invention of the patent in suit immediately after it was introduced to the industry, are strong evidence that the subject matter of the patent in suit was not obvious to one skilled in the art and that accordingly, the subject matter meets the test of patentability of Section 103, Title 35 United States Code.

The District Court was led into error in this respect by the fallacious arguments of Preco that its accused devices do not infringe and that for the same reasons the Evans DF-B equipment does not embody the invention of the Wells patent in suit. The correct application of the claims to the accused devices as set out above demonstrates that the claims are infringed by these accused devices and that the Evans DF-B equipment (see DX AG) which is substantially the same as Model BD-6 (shown in photos DX AN 1-6), also embodies the invention of the patent in suit and accordingly, the sales thereof demonstrate the commercial success of the patent in suit.

The District Court, because of this error, made no finding regarding commercial success. It made only the irrelevant finding (No. 27, R. 394) referred to earlier, that the device disclosed in the patent in suit has never been produced for commercial use, and the finding (No. 9, R. 388) that the Evans DF-B bulkhead equipment embodies the improvements of certain patents and applications other than the patent in suit. At the outset it should be pointed out that the District Court was guilty of clear error in making this finding for there is absolutely no evidence in the record that

the Evans load divider embodies the improvements of Moorhead et al, Application Serial No. 181,283, one of the applications listed in the finding. With respect to a Patent No. 3,200,773, which was also included in the finding, the only evidence (TR. 983) is that it was only in some of the extremely early versions and was not carried through to current models.

The mere fact that the commercially successful equipment of Evans embodied some variance from the structure of the patent in suit is not an indication that the commercial success is not attributable to the patent in suit and there has been no such finding here. As stated in *Binks Mfg. Co. v. Ransburg Electro-Coating Corp.*, 281 F. 2d 252 (C.A. 7) 1960, page 256,

“The variance in structure employed in the commercial atomizing head is not indicative that the commercial success enjoyed is not attributable to the method and apparatus patent.”

It should also be noted here that the evidence is that the Preco accused devices, which also evidence the commercial success, do not embody the improvements of these patents and applications (TR. 991).

The Supreme Court in *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 15 L. Ed. 2d 545 (1966) recognized the value of objective tests of invention such as the existence of a long-felt need and commercial success because the courts are ill fitted to discharge the technological duties imposed on them by patent litigation. In considering the question of validity under the obviousness test of Section 103 of Title 35 of the United States Code, the Supreme Court referred to an article “Subtests of ‘Non-obviousness’”, 112 Pa. L. Rev. 1169 (June 1964).

Paraphrasing this article, the Court, referring to arguments based on long-felt need and commercial success, stated, page 566,

“These legal inferences or subtests do focus attention on economic and motivational rather than technical issues and are, therefore, more susceptible to judicial treatment than are the highly technical facts often present in patent litigation.”

The Court then cited the decision of Judge Learned Hand in *Reiner v. I. Leon Co.*, 285 F. 2d 501 (1960) where he stated, pages 503-4,

“The test laid down is indeed misty enough. It directs us to surmise what was the range of ingenuity of a person ‘having ordinary skill’ in an ‘art’ with which we are totally unfamiliar; and we do not see how such a standard can be applied at all except by recourse to the earlier work in the art, and to the general history of the means available at the time. To judge on our own that this or that new assemblage of old factors was, or was not ‘obvious’ is to substitute our ignorance for the acquaintance with the subject of those who were familiar with it. There are indeed some sign posts: e.g. how long did the need exist; how many tried to find the way; how long did the surrounding and accessory arts disclose the means; how immediately was the invention recognized as an answer by those who used the variant?”

The Supreme Court went on to state, p. 566,

“Such inquiries may lend a helping hand to the judiciary which, as Mr. Justice Frankfurter observed, is most ill-fitted to discharge the technological duties cast upon it by patent legislation. *Marconi Wireless Co. v. United States*, 320 U.S. 1, 60, 57 USPQ 471, 496 (1943). They may also serve to

‘guard against slipping into hindsight.’ *Monroe Auto Equipment Co. v. Heckethorn Mfg. & Supply Co.*, 332 F. 2d 406, 412, 141 USPQ 549, 555 (1964), cert. denied 379 US 888, 143 USPQ 465, and to resist the temptation to read into the prior art the teachings of the invention in issue.”

In the above mentioned article in the Pennsylvania Law Review referred to by the Supreme Court, the author states that a showing of both a long-felt need and commercial success presents a convincing case of patentability (112 Pa. L. Rev. 1169, 1177). The subtests or indicia of invention were utilized by this Court in *Kaakinen v. Peelers Co.*, 301 F. 2d 170 (1962). In holding valid a patent on a shrimp peeling machine, after referring to the many references relied upon the Court stated, page 173,

“None of the evidence adduced, however, overcomes the point that where the method or device satisfied an old or recognized want, as it does here, invention will be inferred rather than the exercise of mechanical skill. ‘Mere skill of the art would normally have been called into action by the generally known want.’ ”

The predicament of the courts and the importance of such indicia of invention was recognized by this Court in *Pointer v. Six Wheel Corp.*, 177 F. 2d 153, (1949) where it stated, page 162,

“‘Courts’, said Judge Learned Hand, ‘made up of laymen as they must be, are likely either to under-rate, or to overrate, the difficulties in making new and profitable discoveries in fields with which they cannot be familiar; and, so far as it is available, they had best appraise the originality involved by the circumstances which preceded, attended and succeeded the appearance of the invention. Among these will figure the length of time the art, though

needing the invention, went without it: the number of those who sought to meet the need, and the period over which their efforts were spread: how many, if any, came upon it at about the same time, whether before or after: and—perhaps most important of all—the extent to which it superseded what had gone before.’ *Safety Car Heating & Lighting Co. v. General Electric Co.*, 2 Cir., 1946, 155 F. 2d 937, 939.”

Other recent decisions of this Court recognizing and applying these indicia of invention are,

Twentier’s Research Inc. v. Hollister Incorporated, 319 F. 2d 898, 902 (1963);

Pursche v. Atlas Scraper and Engineering Co., 300 F. 2d 467, 474 (1962);

Neff Instrument Corp. v. Cohu Electronics Inc., 298 F. 2d 82, 87 (1961);

Hayes Spray Gun Co. v. E. C. Brown Co., 291 F. 2d 319, 322 (1961);

National Sponge Cushion Co. v. Rubber Corp. of Cal., 286 F. 2d 731, 735 (1961);

Stearns v. Tinker & Rasor, 220 F. 2d 49, 58 (1955).

B. The Construction of the Wells Patent in Suit Has Novelty and Utility

The utility of the invention of the patent in suit is clear from its commercial success and cannot be challenged and it is clear from the prior art that the structure claimed in the patent in suit meets the statutory requirement of novelty. While the District Court in Finding No. 12 (R. 5-6), found that all of the elements of the patent in suit are old, referring to twelve prior art patents to show that the ten

elements, as there identified, are known in the art, and while in Finding No. 13 it found that partitioning devices with many of the elements of the patent in suit were known, referring to five prior art patents, the District Court made no finding, nor did it enter any conclusion of law that the structure claimed in the patent in suit does not meet the statutory requirement of novelty.

**C. The Holding of the District Court That the
Invention of the Wells Patent in Suit Was
Obvious Was An Erroneous Conclusion of Law**

Section 103 of Title 35 United States Code requires in addition to utility and novelty, that the differences between the subject matter sought to be patented and the prior art to be such that the subject matter as a whole would not have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. The Supreme Court has pointed out in *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 15 L. Ed. 545, 556 that the ultimate question of compliance with this section is a question of law and has pointed out that factual matters upon which this determination must be made are 1) the scope and content of the prior art, 2) the differences between the prior art and the claims at issue and 3) the level of ordinary skill in the pertinent art.

In a case such as the present one where the prior art consists entirely of prior United States patents, as to which there is no dispute regarding their construction and mode of operation, the scope and content of the prior art presents no factual dispute. Similarly, in such a case there is no dispute of fact as to the differences between the prior art and the claims at issue. The sole remaining question

is the level of ordinary skill in the pertinent art and the District Court made no specific finding as to this. It made only the ultimate legal determination when, in its decision (TR 1383), it held the patent in suit invalid under the doctrine of obviousness and which determination it phrased in the language of Section 103 and correctly designated Conclusion of Law No. 8 and incorrectly also designated Finding of Fact No. 24. The only other finding relating to obviousness is No. 19, which is clearly improper and irrelevant since it is couched in the present tense and does not relate to the time the invention was made as required by the statute. Thus, it is respectfully submitted that there is no finding of fact by the District Court which must be overturned by this Court for it to rule that the Wells patent in suit meets the test of unobviousness under Section 103.

As this Court stated in *Elrick Rim Co. v. Reading Tire Machinery Co.*, 264 F. 2d 481, (C.A. 9) 1959, note 7, page 486,

“What the prior art was and what the patentee did to improve upon it are questions of fact. Whether what the patentee did is properly to be classified as an invention is a question of law.”

The District Court's conclusion on the question of obviousness constituted an erroneous conclusion because:

1. It ignored the presumption of validity of 282 U.S.C. Title 35, which reads,

“A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.”

2. It violated the principle enunciated in the decisions cited in the following section of this brief that a patent on a new and useful combination of elements

cannot be invalidated by showing that the elements are separately old in the art and by using the patent in suit as a guide to show how they might be combined to anticipate the patented combination.

3. It ignored the fact that the level of ordinary skill in the art was shown to be inadequate to conceive the patented combination by the failure of those of all levels of skill to conceive that combination in the face of a long-felt need which it satisfied.

D. The Prior Art Does Not Suggest the Wells Combination

The prior art patents relating to railroad car bulkheads show bulkheads which are mounted in a different manner than that of the patent in suit and which are incapable of functioning in the same manner or achieving the same results as the patented construction. There is no prior patent disclosing any form of bulkhead construction in which the bulkhead is suspended in equilibrium by means which permits the bulkhead to be moved easily to any transverse position along the length of the car where it can be locked directly to the car and also permits rotation of the bulkhead about a vertical axis through the suspension means and permits movement of the suspension means against a side wall of the car at any point along the length of the car for storage of the bulkhead during loading and unloading. Also, there is no prior art disclosing that it may be stored at either side of the car at any point along the length of the car.

The only other prior art relied upon, other than that relating to railroad car bulkheads, consists of patents disclosing what are known as travelling beam cranes. This is a type of crane construction which is used to lift, transport

and lower heavy loads (Chestnut TR. 1202). In all cases these cranes are equipped with a hoisting mechanism which is suspended upon a trolley which moves along the so-called travelling beam. See the prior art patents to Deady (PX 2-G), Lundborg (PX 2-S), and Staiger (PX 2-P). Also, none of the travelling beam crane prior art shows a carriage connected to the hoisting mechanism by a pivotal connection.

This travelling beam crane art is believed to be non-analogous and certainly there is nothing in the prior art that suggests that a portion of a travelling beam crane be combined with a portion of any prior bulkhead construction for any purpose, let alone that they should be so combined as to create the combinations of the Wells Patent. The elements and purposes of travelling beam crane structures are believed to be so different from those found in the bulkhead art prior to the advent of the patent in suit that they would not at that time have made an appeal to the mind of a person having mechanical skill in and knowledge of the bulkhead art. Accordingly, the travelling beam crane art was at the time of the invention of the patent in suit a non-analogous art under the test set out in *Stearns v. Tinker & Rasor*, 220 F. 2d 49, 56-7, (C.A. 9) 1955. This is borne out by the fact that for many years those working in the bulkhead art did not look to the travelling beam crane art for bulkhead mountings and also, by the further fact that the Patent Office examiner working in the bulkhead art did not cite patents from the travelling beam crane art. The foregoing is equally applicable to the 1880 patent to Potter (PX 2-R) on a wooden farm gate which is clearly non-analogous art.

Even if considered, these travelling beam crane patents and the prior bulkhead patents do not render obvious the invention of the patent in suit. The only disclosure of these

travelling beam crane patents is that the carriage or trolley is used to support a hoist and there is no disclosure of a pivotal connection between the trolley and the hoist. Thus, there is no disclosure in the travelling beam crane art of record of any pivotal connection between the trolley and anything supported thereby and there is clearly no disclosure in the bulkhead art of a bulkhead connected by a pivotal connection to a trolley movable along a transverse beam mounted for movement longitudinally of the car.

Preco contends that no invention would be involved in mounting one of the prior art bulkheads on the trolley of a travelling beam crane by means of a pivotal connection which permitted rotation of the bulkhead about a vertical axis and in support of this argument, introduced three composite charts (PX 31, 32 and 40). These charts do not represent any prior art but rather, show hybrid constructions each taken in part from two different patents and combined in a manner not shown or suggested in either of them. In fact, what they represent is an attack on the patent based on finding elements in a plurality of places in the prior art and combining them through the use of hindsight and in the light of the disclosure of the patent in suit. The use of such hindsight has long been held to be improper. See *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275, 279, 88 L. Ed. 721, 724 and the cases cited therein. This decision was cited by this Court in *National Sponge Cushion Co. v. Rubber Corp. of Cal.*, 286 F. 2d 731, 735.

“It is of no significance that ‘viewed after the event, the means * * * adopted seem simple and such as should have been obvious to those who worked in the field, but this is not enough to negative invention.’ *Goodyear Tire & Rubber Co. v.*

Ray-O-Vac Co., 321 U. S. 275 279, 64 S. Ct. 593, 594, 88 L. Ed. 721. 'Now that it has succeeded, it may seem very plain to anyone that he could have done it as well. This is often the case with inventions of the greatest merit.' ”

It is well settled that in the absence of something which suggests the desirability of combining elements from different prior patents, the mere fact that individual elements of a patented combination are separately old does not invalidate the patent. *The Troy Co. v. Products Research Co.*, 339 F. 2d 364, 366 (C.A. 9) 1964; *No-Joint Concrete Pipe Co. v. Hanson*, 344 F. 2d 13, 14 C.A. 9) 1965. As stated by Corpus Juris, the presumption of validity is not overcome by the fact that “an expert may be able to build up the patented process by selecting parts taken from the prior art”. 69 CJS 599-600. Statements to the same effect have been made repeatedly by this Court. See *Pursche v. Atlas Scraper and Engineering Co.*, 300 F. 2d 467, 478 (C.A. 9) 1961; *Neff Instrument Corp. v. Cohu Electronics Inc.*, 298 F. 2d 82, 87 (C.A. 9); *Ry-Lock Co. Ltd. v. Sears Roebuck & Co.*, 227 F. 2d 615, 618 (C.A. 9) 1955; *Coleman v. Holly Mfg. Co.*, 233 F. 2d 71, 78 (C.A. 9) 1956; *Pointer v. Six Wheel Corp.*, 177 F. 2d 153, 160 (C.A. 9) 1949; *Payne Furnace & Supply Co. v. Williams-Wallace Co.*, 117 F. 2d 823, 826 (C.A. 9) 1941. As stated in the last cited case at page 826,

“Prior patents ‘cannot be reconstructed in the light of the invention in suit, and then used as part of the prior art.’ ”

In the present case although, as pointed out above, the need existed for many years and although bulkheads for freight cars were very old the Lincoln patent (PX 2-A) having been granted in 1880 and traveling beam cranes for use in freight cars having been shown in the patented

prior art at least since 1932 (see Lundborg PX 2-S), it remained for Wells to teach the combination of the patent in suit which has met with such widespread commercial success.

Also, with reference to the prior art, it should be noted Preco cited no analogous bulkhead art any more pertinent than that cited by the Patent Office. Thus, the bulkhead patents used in Preco's charts PX 31 and 32 are Wells No. 1,646,604 (PX 2-H) and Jones No. 1,803,760 (PX 2-I), both of which were cited by the Patent Office during the prosecution of the application for the patent in suit. (See DX A, column 6). And finally, the traveling beam crane prior art patents, even if considered with the bulkhead prior art patents do no more than show that the elements of the combination of the patent in suit are broadly old and this is no more than is shown by the art cited by the Patent Office. Thus, Dixon No. 2,227,807 (PX 2-N) shows a transverse member (which there is the upper frame member of the bulkhead) which is supported on rollers for movement along longitudinally extending tracks, Laffey No. 1,522,784 (PX 2-E) shows a trolley movable along a transverse beam, and Wells No. 1,646,604 (PX 2-H) shows a bulkhead having a pivotal connection to a trolley.

The District Court clearly erred in holding (Finding 25, R. 394) that there is no evidence that some of the most pertinent prior art produced at the trial was not considered by the Patent Office during the prosecution of the patent in suit.

E. The Combination of the Patent in Suit Meets The Test of the A & P Case

In the present case the patent in suit discloses a new combination which produced a new result due to the co-action of its elements. In considering this requirement, a distinction must be drawn between the individual functions of the separate elements and the over-all function and result of the combination. In every combination of old elements the function of each element is always the function it has always performed. Thus, a gear always functions as a gear, a bearing always functions as a bearing, etc. This does not mean that new combinations of such elements are *ipso facto* unpatentable. *The Cold Metal Process Co. v. Republic Steel Corp.*, 233 F. 2d 828, 838-9 (C.A. 6, 1956). They are still patentable if the combination as a whole produces a new result due to co-action of the elements. *Troy Co. v. Products Research Co.*, 339 F. 2d 364, 366 (C.A. 9, 1964); *Kaakinen v. The Peelers Co.*, 301 F. 2d 170, 172, 173 (C.A. 9, 1962).

The combination of the patent in suit does produce a novel and useful result due to the mounting of the pivotal suspension, which permits the bulkhead to pivot about a vertical axis, on a carriage or trolley member which can slide along the length of a transverse bar which in turn is mounted for movement along the length of the car. This combination which is new, even though similar individual elements may be old, provides what may be called a universally adjustable vertical axis suspension. By this is meant the bulkhead is suspended for pivotal movement about a vertical axis which may be moved both transversely and longitudinally of the car. As a result, the bulkhead may be moved to any transverse restraining position at any

point along the length of the car and also may be positioned flat against either side wall at any point along the length of the car. *This universal adjustability is the result of a co-action between the longitudinally movable transverse bar, the transversely movable carriage or trolley member and the pivotal connection between the bulkhead and the trolley member, and this is not found in any prior art construction.*

The District Court here, in support of its decision of invalidity under the doctrine of obviouness (TR. 1384) has adopted several findings and conclusions based on the language of the Supreme Court in the *A & P* case, 340 U.S. 147, 95 L. Ed. 162. See Findings of Fact Nos. 15, 16, 18, 21, 22 and 23, and Conclusions of Law Nos. 6, 7, 9, 10, 11 and 12. These are all conclusions arrived at on the basis of undisputed facts as to the construction and operation of the prior art and the construction and operation disclosed in the patent in suit and this Court is free to and in fact, it is the duty of this Court to determine *de novo* whether, in the light of these undisputed facts, the patent in suit is valid. Insofar as any of these determinations are considered to be properly findings of fact, it is respectfully submitted that they are clearly erroneous.

The *A & P* case, *supra*, and the *indicia* of invention there discussed were recently considered by this Court in *Twentier's Research Inc. v. Hollister Incorporated*, 319 F. 2d 898 (1963). In holding valid a patent relating to a patent identification means for which there had been a long-felt need and which met with commercial success, the Court in an opinion by Judge Jertberg stated, page 902,

“It is not a difficult task to discern the foregoing *indicia* of inventiveness in the present patent. What is the ‘something’ which the combination of old elements in this patent contributes to the art, and ren-

ders the 'whole' more than 'the sum of its parts?' It *works*. None of the prior devices did.

"The long-felt need remained unsatisfied in spite of the attempts of the prior art. The peculiar combination of old elements necessary to actually accomplish the desired function had eluded both the artisan and the skilled mechanic for years. The Schneider patent hit upon that very combination with the result that it performed while the others merely promised. This result is sufficiently 'new', 'unusual' and 'surprising' to indicate inventiveness.

"The Schneider patent, therefore, filled a long-felt need which the prior art had been unable to satisfy effectively. Accordingly, the patented device was hailed as an advance by experts in the scientific field, and acceptance of the device in the market resulted."

The above language is generally applicable in the present case and although it should not be said here that none of the prior devices worked, none of them provided the universally adjustable vertical axis suspension which is responsible for the universal adoption of the Wells combination.

CONCLUSION

The District Court erred in holding Claims 1, 2 and 3 of the Wells patent in suit invalid on the ground of obviousness under Section 103 of Title 35 of the United States Code and on the ground that the claims define an unpatentable aggregation rather than a patentable combination and that they do not meet the standard of patentable invention required by law. It also erred in holding that the accused devices do not infringe. The undisputed facts and the applicable law require a determination that the Wells patent in suit is valid and that Claims 1, 2 and 3 have been infringed by Preco. The judgment should be reversed.

Respectfully submitted,

HARNESS, DICKEY & PIERCE,
By JOHN A. BLAIR,
ROBERT L. BOYNTON,

LYON & LYON,

By ROLAND N. SMOOT.

CERTIFICATE

I certify that in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

ROBERT L. BOYNTON,
Attorney.

PROOF OF SERVICE

Robert L. Boynton, counsel for Appellant, Evans Products Company, in the above entitled matter hereby certifies that three (3) copies of the foregoing Brief were placed in the United States mail, air mail, special delivery with postage fully prepaid addressed to Whann & McManigal, 315 West Ninth Street, Los Angeles, California 90015, on this 7th day of September 1966.

ROBERT L. BOYNTON.

APPENDIX A

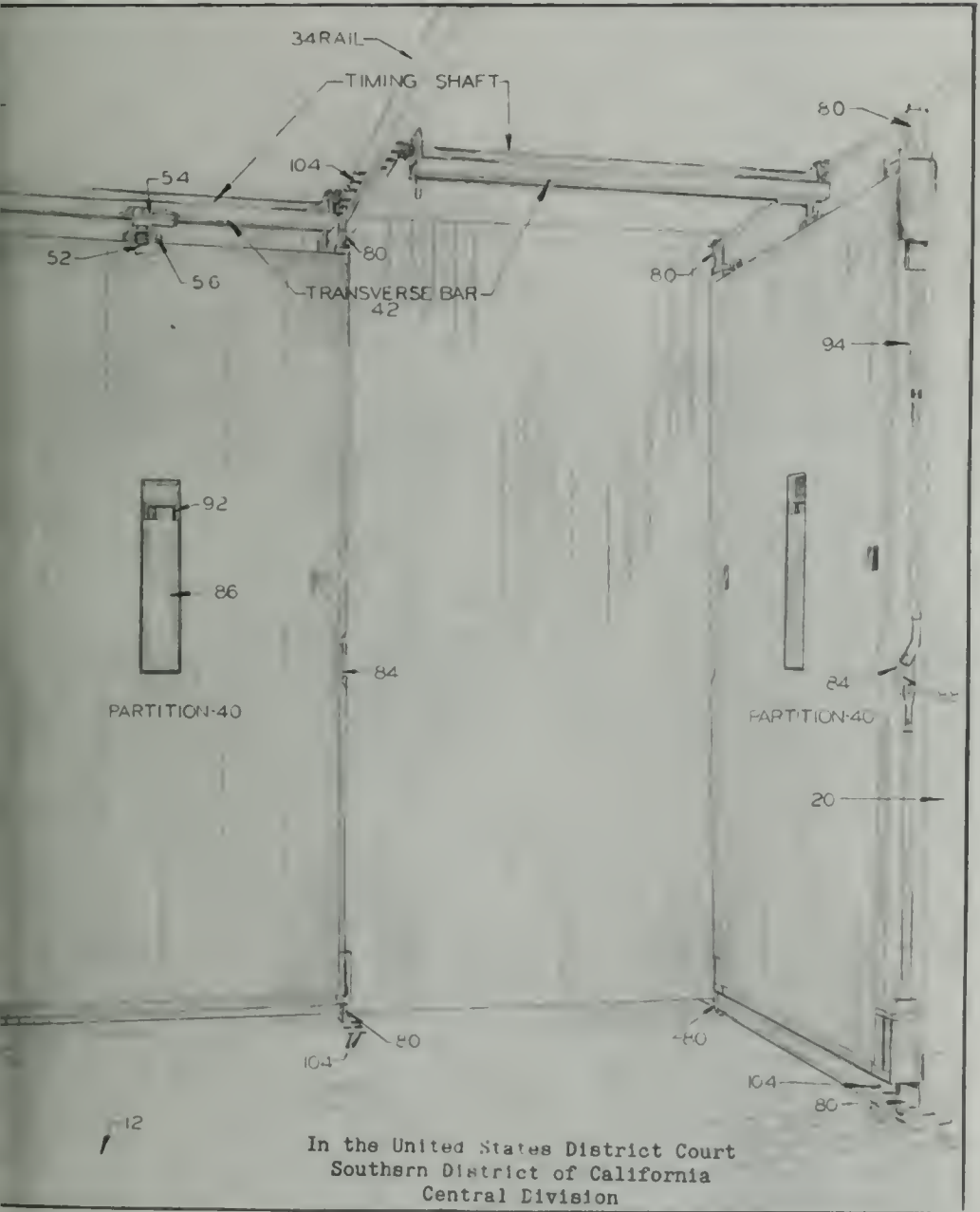
DX AB—Chart re accused Model BC-3.....	1a
DX AC—Chart re accused Model BC-4.....	2a
DX AE-1—Chart re accused Model BD-2.....	3a
DX AF—Chart re accused Model BD-2.....	4a
DX AG, page 4—Page from brochure showing Evans' DF-B bulkhead equipment.....	5a
DX AN-2—Photograph showing accused Model BD-6	6a
DX AO-2—Photograph showing Evans' DF-B bulk- head equipment	7a
DX AZ-1—Claim chart re Claim 1 of Wells patent in suit	8a
DX AZ-2—Claim chart re Claim 2 of Wells patent in suit	9a
DX AZ-3—Claim chart re Claim 3 of Wells patent in suit	10a



Defendant's Exhibit.

BA

Model BC-4



Preco Incorporated

v.

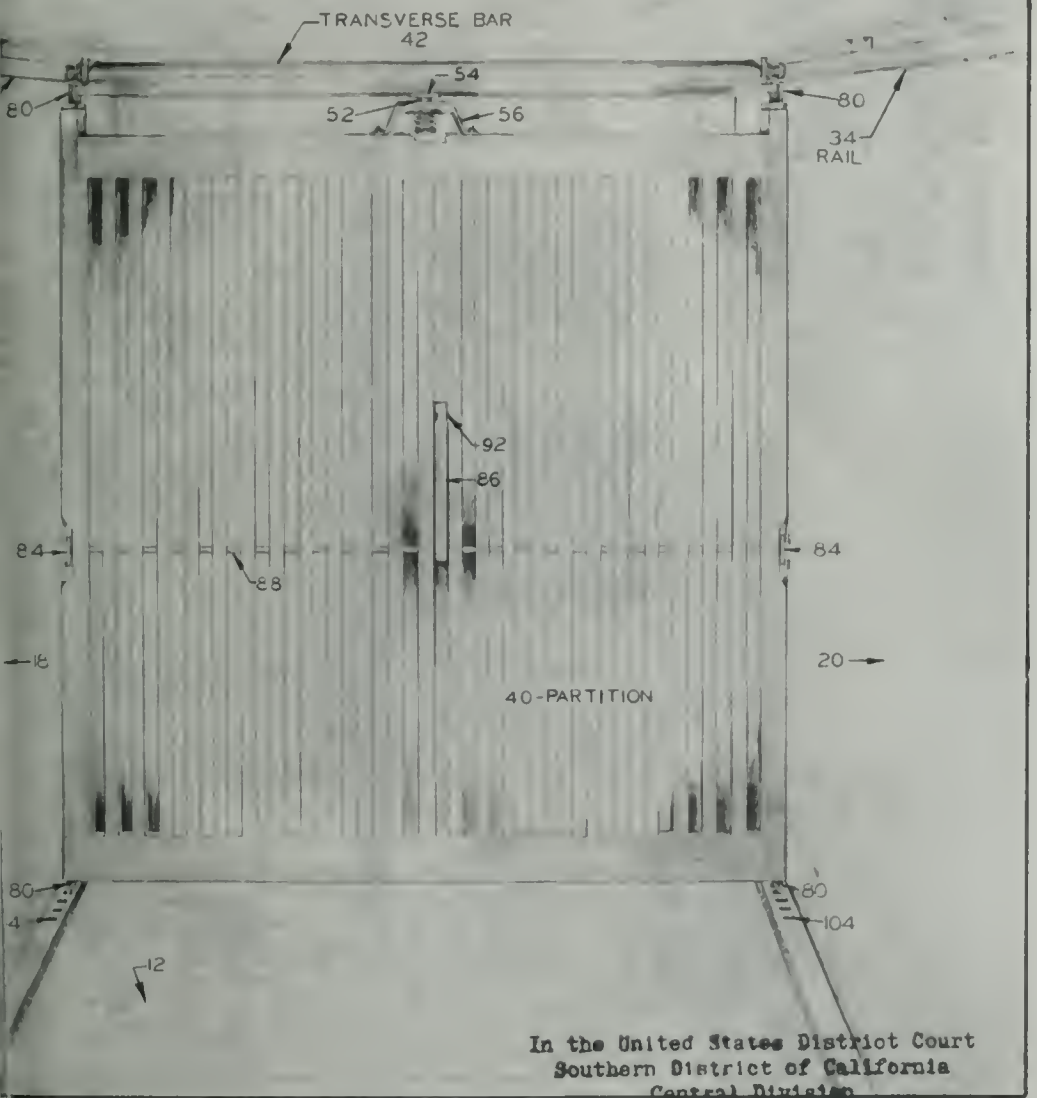
Evans Products Company

C. A. No. 63-453-IH

Defendant's Exhibit

AC

Model BD-2



Preco Incorporated

v.

Evans Products Company

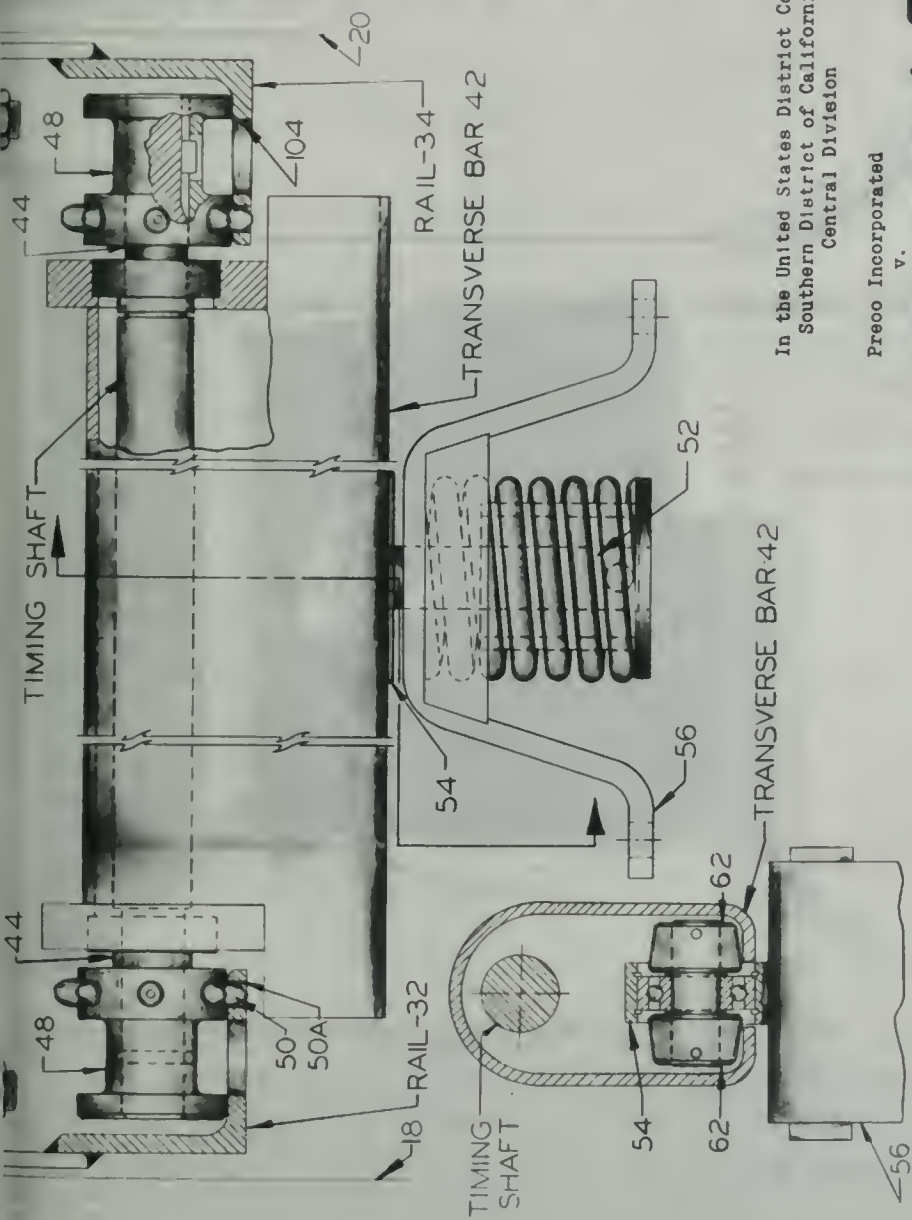
C. A. No. 63-453-IH

Defendant's Exhibit

AE-1

Model BD-5

1-3A



4a

In the United States District Court
 Southern District of California
 Central Division

Preco Incorporated

v.

Evans Products Company
 C. A. No. 63-453-1H

Defendant's Exhibit

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210000

B... POSITION !



POSITIONING BULKHEADS

Move the bulkheads anywhere you wish with minimum effort. They may be pivoted and laid against the car walls . . . or they may be moved to partition the lading at intervals along the car's entire length, including doorway area

across the car. **A SINGLE LEVER LOCATED** in the center of the DF-B bulkhead does the locking and unlock- serves as a handle for positioning the bulkhead. This lever can be lifted from either side of the bulk- lifting the lever retracts four locking pins (a pin at each corner of the bulkhead), and the bulkhead to move. Releasing the lever engages the pins in locking tracks which run the car's length at either floor and ceiling. Positive locking is assured because the lever will not seat unless all four pins are y engaged. **NO REMOVABLE PARTS.** DF-B equipment is installed as part of the freight car structure. It ontained. There are no parts in a DF-B equipped car to lose or to be replaced. **IDEAL FOR MECHANICAL** **RATED AND INSULATED "RB" TYPE CARS.** Mechanical refrigerator cars equipped with Evans DF-B bulk are assured of better air flow which means faster cool-down. No air-flow-interfering, truss-type car e required, as there are no center ceiling or floor tracks in the installation. DF-B bulkheads installed

DX AG p. 4

! MOYI209



PRECO

LOAD DIVIDER

LOCK SECURELY ACROSS END OF CAR AFTER UNLOADING

PIN

In the United States District Court
Southern District of California
Central Division

Preco Incorporated
v.

Evans Products Company
C. A. No. 63-453-1H

Defendant's Exhibit

AN-2

PIN

7a

-A

D.B.

Φ

REMOVED BY PATENT 2-28-62
OTHER PATENT 2-28-62

A

ALWAYS LEAVE EQUIPMENT

LOCKED ACROSS CAR

In the United States District Court
Southern District of California
Central Division

Preco Incorporated

v.

Evans Products Company

C. A. No. 63-453-IH

Defendant's Exhibit

A0-2

A ← SEAL

CHART APPLYING LANGUAGE OF CLAIM 1 OF WELLS PATENT 2,543,143 TO PATENT DISCLOSURE AND TO ACCUSED STRUCTURES

DX AZ-1

CLAIM 1 LANGUAGE	WELLS ET AL. PATENT 2,543,143	ACCUSED MODEL BD-2 Def's. Exs. S, T, AE-1, AE-2 and AF	ACCUSED MODEL BC-4 Def's. Exs. N, O, AC and AD	ACCUSED MODEL BC-3 Def's. Exs. J, AA and AB	ACCUSED MODEL BE-2 Def's. Exs. D, E, F, Y and Z
is combination with the body of a vehicle	The truck body	The railroad boxcar	Same as BD-2	Same as BD-2	Same as BD-2
having oppositely disposed walls	The opposite side walls 18 and 20 of the truck body.	The opposite side walls 18 and 20 of the boxcar	"	"	"
and means for subdividing said body into areas of preselected size, said means comprising	This is the complete partitioning means operative for the purpose stated. It includes the features set forth thereafter in the claim.	This is the complete partitioning means operative for the purpose stated. It includes the features set forth thereafter in the claim.	"	"	"
a row of detents carried by at least one of said walls	This is the row of openings 104 in one of the bars 100 or 102 into which the latch bolts 80 may project. The bars 100 and 102 are separate members positioned between the spaced side wall slats 28 and carried by the vertical side frame members 22.	^{NO} The openings 104 in one of the rails 32 or 34 into which the latch bolts 80 may project. As pointed out below, the rail is carried by the walls and therefore the detents are so carried. In addition, the provision of detents in the floor is the full equivalent of detents carried by the walls.	^{NO} "	" ^{NO}	" ^{NO}
oppositely disposed rails carried by said walls	The rails 32 and 34 are mounted on top of the side walls 18 and 20. The truck body has no ceiling or roof structure.	^{NO} The rails 32 and 34 are secured to the ceiling structure and that structure is "carried by" the side walls. Accordingly, the rails are carried by those walls. In addition, the rail mounting of the accused structure is the full equivalent of that specified.	^{NO} Since this is a half width partition, two pairs of rails are employed. Each pair includes one rail at the side of the car and one midway between the sides. All rails are secured to the ceiling structure and therefore all are carried by the side walls.	Same as BC-4 ^{NO}	Same as BC-4 ^{NO}
above said detents	Since the rails are located on top of the side walls they are above the detents in bars 100 and 102.	^{NO} The detents are openings 104 formed in the lower portion of the rail and therefore the major portion of the rail is "above said detents." Moreover, the rail surface on which the bar rests is wholly "above" the detents.	^{NO} Same as BD-2	Same as BD-2 ^{NO}	Same as BD-2 ^{NO}
a bar disposed between and supported by said rails, the ends of said bar being slidably mounted on said rails for movement to selected positions with respect to the longitudinal length of said rails	The transverse bar is the bar 42 which is supported at its ends on the rails 32 and 34 by rollers 48. These rollers permit the bar to be moved along the length of the rails to any selected position while the bar is supported by the rails. This is what is meant by the language "slidably mounted."	^{NO} The transverse bar is the bar 42 which is supported at its ends on the rails 32 and 34 by rollers 48. These rollers permit the bar to be moved along the length of the rails to any selected position while the bar is supported by the rails.	Same as BD-2 except that the bar 42 is shorter because of the shorter span of the rails required for a half width bulkhead or partition.	Same as BC-4 ^{NO}	Same as BC-4 except that the rollers which roll on the rails are fixed to the bar with the result that the entire bar rotates with the rollers. ^{NO}
said rails being constructed for guiding such movement	All guiding functions are performed by the coaction between the rails and the bar and the rails are constructed to perform that function.	^{NO} All guiding functions are performed by the coaction between the rails and the bar and the rails are constructed to perform that function.	^{NO} Same as BD-2	Same as BD-2 ^{NO}	Same as BD-2 ^{NO}
a partition member	The partition 40	The bulkhead or load divider 40.	Same as BD-2 except half width	Same as BC-4	Same as BC-4
a pivotal connection between said member and said bar for suspending one from the other and for permitting said member to turn into positions transverse and parallel with respect to said walls at desired times	This is the pivotal connection between the partition supporting bolt 88 and the socket housing 58.	^{NO} This is the pivotal connection between the partition supporting yoke 56 and the pin 52, shown best in Def's. Ex. AF.	Same as BD-2	Same as BD-2 ^{NO}	Same as BD-2
means slidably mounting the said pivotal connection on the bar for longitudinal travel of said connection and partition member on the bar.	This is the roller bracket 54 which is supported by roller 82 which moves along the length of bar 42 while supported thereon.	^{NO} This is the roller bracket 54 with its supporting rollers 82 which move along the length of the bar 42 while supported thereon.	"	" ^{NO}	" ^{NO}
said means cooperative with said detents carried by said partition member for maintaining said partition member in a position transverse with respect to said walls.	This is the locking means 80 which locks the partition in transverse position.	^{NO} The latch bolt 80 which is "cooperative with said detents" 104 carried by one of the side walls. It also includes additional latch bolts which are cooperative with detents in the floor.	^{NO} "	" ^{NO}	" ^{NO}

CHART APPLYING LANGUAGE OF CLAIM 2 OF WELLS PATENT 2,543,143 TO PATENT DISCLOSURE AND TO ACCUSED STRUCTURES

CLAIM 2 LANGUAGE	WELLS ET AL. PATENT 2,543,143	ACCUSED MODEL BD-2	ACCUSED MODEL BC-4 Def's. Exs. N, O, AC and AD	ACCUSED MODEL BC-3 Def's. Exs. J, AA and AB
a vehicle body partition, the combination which comprises a platform	The floor of the truck body	Floor of car	Same as BD-2	Same as BD-2
side walls extended upwardly from the side edges of the platform,	The side walls 18 and 20 of the truck body.	The side walls 18 and 20 of the car	"	"
tracks, C-shape in cross section	The tracks 32 and 34 which are referred to in the patent specification as channel shaped in cross section and in claims 2 and 3 as C shape in cross section.	No The rails or tracks 32 and 34 are L shape in cross section which is a crude form of C-shape and is fully equivalent to a C-shape	No "	No " Freeco Incorporated v. Evans Products Company C. A. No. 65-453-18
carried by the upper parts of the side walls	The tracks 32 and 34 are mounted on top of the side walls 18 and 20. The truck body has no ceiling or roof structure.	No The tracks 32 and 34 are secured to the ceiling structure which is "carried by" the upper parts of the side walls. Accordingly, the tracks themselves are carried by those walls. In addition, the track mounting of the accused structures is the full equivalent of that specified.	No Since this is a half car width partition, two pairs of tracks are employed. Each pair includes one track at the side of the car and one midway between the sides. All of the tracks are secured to the ceiling structure and therefore all are carried by the upper parts of the side walls.	Same as BC-4 No
a transverse bar channel-shape in cross section extended between the tracks	The transverse bar 42. It is the same shape in cross section as the tracks 32 and 34. This is called a channel or a C-shape in the Wells patent.	No The transverse bar 42. It is channel shaped in cross-section in the same sense as is the bar 42 of the Wells patent.	Same as BD-2 except that the bar 42 is shorter because of the shorter span of the rails. <u>Below the tracks, not between</u>	No Same as BC-4 except that the accused bar is not channel shaped. The arrangement employed here is a mere reversal of parts and therefore an equivalent of the construction of the patent.
means movably mounting the ends of the transverse bar in the tracks,	The ends of the bar are supported for movement on rollers 48 which rest on the inside of the C shape tracks.	No The ends of the bar 42 are supported for movement on rollers 48 which rest on the inside of the L shape tracks.	No Same as BD-2	No Same as BD-2
a partition in the vehicle body and positioned below the said transverse bar	The partition 40.	The bulkhead or load divider 40.	Same as BD-2 except half width.	Same as BC-4
a bracket positioned between the said partition and transverse bar	The roller bracket 54.	No The roller bracket 54.	Same as BD-2	No Same as BD-2
means movably mounting the bracket in the bar	The bracket 54 is positioned within the channel shaped bar 42 and is movably mounted on roller 62.	No The bracket 54 is positioned within the channel shaped bar 42 and is movably mounted on rollers 62.	Same as BD-2	In this accused mechanism there is a reversal of parts in that the bar is in the supporting bracket 54 whereas in the patented construction the bracket is in the bar. The accused structure is the equivalent of that shown in the patent.
means pivotally suspending the partition from the bar whereby with the bracket positioned at one end of the bar the partition may be positioned against the inner surface of a side wall of the vehicle body,	The pivotal connection between the partition supporting bolt 56 and the socket housing 56 permits rotation of the partition about a vertical axis so that it can be positioned flat against a side wall.	No The pivotal connection between the partition support 56 and the stem 52 of the bracket 54 permits rotation of the partition about a vertical axis so that it can be positioned flat against a side wall.	"	No Same as BD-2
and locking means on an edge of said partition positioned to engage a side wall of the vehicle body for retaining the partition in a position extended across the said vehicle body.	The locking means 80 at one edge engage openings 104 in the bars 100 and 102 which are fixed with respect to and carried by one of the side walls 18 or 20.	No The locking means 80 at the top edge of the partition engage the tracks 32 or 34 which are fixed with respect to and carried by the side wall 18 or 20.	No "	No "

In the United States District Court
Southern District of California
Central Division

Freeco Incorporated
v.
Evans Products Company
C. A. No. 65-453-18

Defendant's Exhibit

AZ-2

CLAIM 3 LANGUAGE

CHART APPLYING LANGUAGE OF CLAIM 3 OF WELLS PATENT 3,543,143 TO PATENT DISCLOSURE AND TO ACCUSED STRUCTURES

WELLS ET AL. PATENT
3,543,143

ACCUSED MODEL BD-3

ACCUSED MODEL BC-4
Def's. Exs. N, O, AC and AD

DX A2-3

ACCUSED MODEL BC-3
Def's. Exs. J, AA and AB

CLAIM 3 LANGUAGE	WELLS ET AL. PATENT 3,543,143	ACCUSED MODEL BD-3	ACCUSED MODEL BC-4 Def's. Exs. N, O, AC and AD	ACCUSED MODEL BC-3 Def's. Exs. J, AA and AB
(a) in a vehicle body partition, the combination which comprises a vehicle body including a platform	The truck body having a floor.	Car body having a floor.	Same as BD-3	Same as BD-3
(b) having upwardly extended side walls,	The side walls 18 and 20 of the car.	The side walls 18 and 20 of the car.	"	"
(c) tracks, C-shape in cross section	The tracks 32 and 34 which are referred to in the patent specification as channel shaped in cross section and in claims 2 and 3 as C-shape in cross section.	No The rails or tracks 32 and 34 are L shape in cross section which is a crude form of C shape and is fully equivalent to a C shape	No "	No "
(d) carried by the upper parts of the side walls	The tracks 32 and 34 are mounted on top of the side walls 18 and 20. The truck body has no ceiling or roof structure.	No The tracks 32 and 34 are secured to the ceiling structure which is "carried by" the upper parts of the side walls. Accordingly, the tracks are carried by those walls. In addition, the track mounting of the rails is fully equivalent to that specified.	No Since this is a half car width partition, two pairs of tracks are employed. Each pair includes one track at the side of the car and one midway between the sides. All of the tracks are secured to the ceiling structure and therefore all are carried by the upper parts of the side walls.	Same as BC-4 No
(e) a transverse bar, channel shape in cross section, extended between the tracks	The transverse bar 42 which extends transversely between tracks 32 and 34.	No The transverse bar 42. It is channel shape in cross section in the same sense as is the bar 42 of the Wells patent.	No Same as BD-3 except that the bar 42 is shorter because of the shorter span of the rails.	No Same as BC-4 except that the accused bar is not channel shaped. The arrangement employed here is a mere reversal of parts and therefore an equivalent of the construction of the patent.
(f) rollers journaled on the ends of the transverse bar and positioned in the tracks for movably mounting the bar in the tracks,	The ends of the bar 42 are supported for movement on rollers 48 which rest on the inside of the C section tracks.	No The ends of the bar 42 are supported for movement on rollers 48 which rest on the inside of the L shape tracks.	No Same as BD-3	Same as BD-3
(g) a partition in the vehicle body positioned below the transverse bar,	The partition 40 below bar 42.	Bulkhead or load divider 40 below bar 42.	Same as BD-3 except half width.	Same as BC-4 2 partitions, 1/2 width
(h) a bracket positioned between the partition and the bar	The roller bracket 54.	No The roller bracket 54.	No Same as BD-3	No Same as BD-3
(i) rollers carried by the bracket and positioned in the bar movably mounting the bracket in the bar,	Roller 62 which movably mounts the bracket 54 in the bar 42.	Rollers 62 which movably mounts the bracket 54 in the bar 42.	"	No The rollers 62 and the bracket 54 are positioned on the outside of the bar, which is a reversal of parts and the equivalent of the patented construction in which the rollers and bracket are inside the bar.
(j) a swivel joint pivotally suspending the partition from the bar whereby with the bracket located at one end of the bar the partition may be positioned against the inner surface of the adjacent side wall of the vehicle body,	The pivotal connection between the partition supporting bolt 58 and the socket housing 58 permits rotation of the partition about a vertical axis so that it can be positioned flat against a side wall.	No The pivotal connection between the partition support 58 and the stem 52 of the bracket 54 permits rotation of the partition about a vertical axis so that it can be positioned flat against a side wall.	No "	No Same as BD-2
(k) spaced latch bolts slidably mounted in the edges of the said partition	Latch bolts 80 slidably mounted in the side edges of the partition.	No Latch bolts 80 slidably mounted in the top edge of the partition, one at each side.	No "	No "
(l) rods having handles thereon pivotally mounted to the partition,	These are the levers 88 having handles 92. There are two such "rods." One rod operates latch bolts 80 at one side of the partition and the other operates bolts at the other side.	No This is the lever 88 having a handle 82, the two levers or "rods" 88 of the patent being combined as one for operating latch bolts at both sides of the partition.	No "	No "
(m) means connecting the said latch bolts to the rods whereby the latch bolts may be withdrawn	Links 88 and levers 84 which connect each rod 88 to the associated latch bolts 80.	No Rods 88 and levers 84 which connect the rod or lever 88 to the bolts 80.	No "	No "
(n) from locking engagement with the side walls of the vehicle body by the rods,	The latch bolts are withdrawn from engagement with the detent openings 104 in the bars 100 and 102 which are carried by and fixed with respect to the side walls 18 and 20.	No The upper bolts are withdrawn from engagement with the detent openings 104 in the tracks 32 and 34 which are carried by and fixed with respect to the side walls 18 and 20.	No "	No "
(o) and means resiliently urging the said latch bolts into locking engagement with the side walls for retaining the partition in a transverse position in the vehicle body,	The springs 94 which act on the bolts through rods 88, links 88 and lever 84.	No The springs 84 which act on the upper bolts.	No "	No "

APPENDIX B

Plaintiff's Exhibits	Description	For Identification	In Evidence
1	Certified File Wrapper and Contents of Wells et al Pat- ent No. 2,543,143, patent in suit	25	153
2	Book of Prior Art Patents Relied on by Plaintiff.....	25	153
3	Model of structure of the patent in suit.....	25	799
4	Model of the Plaintiff's Structure Charged to In- fringe	25	271
5	Preco Drawing No. B 17670 re Model BE-2.....	25	153
6	Preco Drawing No. B 17658 re Model BE-2.....	25	153
7	Preco Drawing No. B 17190 re Model BC-3.....	25	153
8	Preco Drawing No. B 17659 re Model BC-3.....	25	153
9	Preco Drawing No. B 17332 re Model BC-4.....	25	153
10	Preco Drawing No. B 17660 re Model BC-4.....	25	153
11	Preco Drawing No. B 17656 re Model BD-2.....	25	153
12	Preco Drawing No. B 17655 re Model BD-2.....	25	153
13	Photograph of Model BE-2..	25	153

Plaintiff's Exhibits	Description	For Identification	In Evidence
14	Photograph of Model BE-2..	25	153
15	Photograph of Model BE-2..	25	153
16	Photograph of Model BC-3..	25	153
17	Photograph of Model BC-4..	25	153
18	Photograph of Model BC-4..	25	153
19	Photograph of Model BD-2..	25	153
20	Photograph of Model BD-2..	25	153
21	Drawing illustrating presence in prior art of the <i>first</i> element of Claim 1 of the patent in suit "In combination with the body of a vehicle having oppositely disposed walls, * * *".....	25	1034
22	Drawing illustrating presence in prior art of the <i>second</i> element of Claim 1 of the patent in suit "of means for sub-dividing said body into areas of pre-selected size, said means comprising a row of detents carried by at least one of said walls,"..	25	1034
23	Drawing illustrating presence in prior art of the <i>third</i> element of Claim 1 of the patent in suit: "oppositely disposed rails carried by said walls above said detents,"	25	1034
24	Drawing illustrating presence in prior art of the <i>fourth</i>		

Plaintiff's Exhibits	Description	For Identification	In Evidence
	element of Claim 1 of the patent in suit: "a bar disposed between and supported by said rail,".....	25	1034
25	Drawing illustrating presence in prior art of the <i>fifth</i> element of Claim 1 of the patent in suit: "the ends of said bar being slidably mounted on said rails for movement to selected positions with respect to the longitudinal length of said rails,".....	25	1034
26	Drawing illustrating presence in prior art of the <i>sixth</i> element of Claim 1 of the patent in suit: "said rails being being constructed for guiding such movement,".....	25	1034
27	Drawing illustrating presence in prior art of the <i>seventh</i> element of Claim 1 of the patent in suit: "a partition member,"	25	1034
28	Drawing illustrating presence in prior art of the <i>eighth</i> element of Claim 1 of the patent in suit: "a pivotal connection between said member and said bar for suspending one from the other and for permitting said member to turn into positions transverse and parallel with respect to said walls at desired times,"	25	1034

Plaintiff's Exhibits	Description	For Identification	In Evidence
29	Drawing illustrating presence in prior art of the <i>ninth</i> element of Claim 1 of the patent in suit: "means slidably mounting the said pivotal connection on the bar for longitudinal travel of said connection and partition member on the bar,".....	25	1034
30	Drawing illustrating presence in prior art of the <i>tenth</i> element of Claim 1 of the patent in suit: "and means co-operative with said detents carried by said partition member for maintaining said partition member in a position transverse with respect to said walls.".....	25	1034
31	Composite reproduction of of patent drawing of Staiger No. 2,437,486 (1948) and Wells No. 1,646,604 (1927)..	25	1112
32	Composite reproduction of patent drawings of Deady No. 1,622,574 (1927) and Jones No. 1,803,760 (1931)..	25	1113
33	Enlargement of Wells et al patent drawings, Patent No. 2,543,143	25	153
35	Plaintiff's First Set of Interrogatories dated October 25, 1963	25	153
36	Defendant's Answers to Plaintiff's Interrogatories dated December 5, 1963.....	25	153

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Plaintiff's Exhibits	Description	For Identification	In Evidence
37	Plaintiff's Second Set of Interrogatories dated February 6, 1964	25	153
38	Defendant's Answers to Plaintiff's Second Set of Interrogatories dated February 21, 1964	25	153
39	Defendant's Answers to Plaintiff's Third Set of Interrogatories dated August 30, 1965	25	1238
39A	Defendant's Supplemental Answers to Plaintiff's Third Set of Interrogatories.....	1237	1238
40	Composite Reproduction of patent drawings of Staiger No. 2,437,486 and Potter No. 226,102	25	1110
41	BC-3 Parts List—Drawing of Preco BC-3 Load Divider...	25	153
42-A, B, -C & D	Photographs of load divider made by Preco about 1941 embodying invention of Wieden Patent No. 2,360,029....	25	153
43-A, B, -C	Photographs of load divider made by Preco about 1941 embodying invention of Wieden Patent No. 2,360,029....	25	153
44-A	5-page Stress Test of Preco Load Divider 5F0812, dated May 26, 1941, Report I42....	25	219
44-B	5-page Report #RL1 Report of L2 Load Divider Installation by George E. Solnar....	25	219

Plaintiff's Exhibits	Description	For Identification	In Evidence
45-A, B, -C	Photographs of Preco Bunker made in 1946 embodying invention of Wieden Patent No. 2,474,563	25	153
46-A	Letter dated July 2, 1947 from Preco Incorporated to Aeme Brokerage Co.	25	219
46-B	Letter dated July 26, 1947 from Aeme Brokerage Company to Preco Incorporated..	25	219
47	Page 41, January 1959—Railway Locomotives and Cars, Article entitled “Compartmentizer for Reefers”..	25	153
48-A, B, -C, D	Photographs of Preco Load Divider, (Photographs Nos. 97-75-4, 97-75-3, 97-75-10, and 97-75-12) PFE July 1959...	25	153
49-A	3-page Memo dated 2-6-58 from P. K. Beemer.....	25	219
49-B	Memorandum (4 pages) dated April 23, 1958, Subject—Load Dividers from P. K. Beemer	25	219
49-C	3-page Engineering Note 1958-4 “Load Divider—Preliminary Considerations” ...	25	219
49-D	3-page Memo dated July 2, 1958 entitled “Load Divider”	25	219
49-F	Letter dated May 29, 1959 Pacific Fruit Express Company to Preco Incorporated	25	219

Plaintiff's Exhibits	Description	For Identification	In Evidence
49-G	3-page Impact Test of PFE 301210 Equipped with Preco Load Divider, dated July 30, 1959, San Francisco, Calif...	25	219
49-H	Letter dated July 31, 1959 Pacific Fruit Express Company to Preco Incorporated	25	219
49-I	2-page letter dated July 21, 1959, with attached photographs to Mechanical Department of Santa Fe from Preco Incorporated	25	219
50-A	Magarian et al Patent No. 3,063,388, issued Nov. 13, 1962	25	153
50-B	Magarian et al Patent No. 3,208,403, issued September 28, 1965	25	153
51-A	Moorhead Patent No. 3,200,773, issued August 17, 1965..	25	153
51-B	Miller Patent No. 3,203,363, issued August 31, 1965.....	25	153
51-C	Erickson et al Patent No. 3,209,707 issued October 5, 1965	25	153
51-D	Moorhead et al application Serial No. 181,283, filed March 21, 1962 for Bulkhead	25	153
52	Loomis et al Patent No. 3,017,843 issued January 23, 1963	25	153
54-A	Preco Drawing B 17385C dated November 13, 1962 (Preco Model BC-3).....	25	153

Plaintiff's Exhibits	Description	For Identification	In Evidence
54-B	Pacific Fruit Express Co. drawing 4R-5650 dated Feb- ruary 7, 1962 (Preco Model BC-3)	25	153
55-A	Preco Drawing B 17349C dated December 8, 1962 (Preco Model BC-4).....	25	153
55-B	Santa Fe Drawing SK-B- 10427 dated April 2, 1962 (Preco Model BC-4).....	25	153
55-C	Santa Fe Drawing SK-D- 10445, dated April 16, 1962 (Preco Model BC-4).....	25	153
56-A	Preco Drawing B 17916A dated January 10, 1964 (Pre- co Model BD-2).....	25	153
56-B	Pacific Car and Foundry Company Drawing dated January 28, 1964 (Preco Model BD-2)	25	153
57-A	QL Photograph 41209-10....	188	191
57-B	QL Photograph 41209-8....	188	191
57-C	QL Photograph 41209-7....	188	191
57-D	QL Photograph 41209-6....	188	191
59	File Wrapper—Erickson et al Patent No. 3,209,707.....	950	981
60	Erickson sketches	1297	1297

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Defendant's Exhibits	Description	For Identification	In Evidence
A	Wells Patent No. 2,543,143	16	153
B	Preco Drawing B 17670 re Model BE-2	16	153
C	Preco Drawing B 17658 re Model BE-2	16	153
D	Preco Photograph re Model BE-2	16	153
E	Preco Photograph re Model BE-2	16	153
F	Preco Photograph re Model BE-2	16	153
H	Preco Drawing B 17190 re Model BC-3	16	153
I	Preco Drawing B 17659 re Model BC-3	16	153
J	Preco Photograph re Model BC-3	16	153
L	Preco Drawing B 17332 re Model BC-4	16	153
M	Preco Drawing B 17660 re Model BC-4	16	153
N	Preco Photograph re Model BC-4	16	153
O	Preco Photograph re Model BC-4	16	153
Q	Preco Drawing B 17656 re Model BD-2	16	153
R	Preco Drawing B 17655 re Model BD-2	16	153

Defendant's Exhibits	Description	For Identification	In Evidence
S	Preco Photograph re Model BD-2	16	153
T	Preco Photograph re Model BD-2	16	153
Y	Chart showing construction of Plaintiff's equipment illustrated in Exhibits A-1 to A-6 attached to Plaintiff's First Set of Interrogatories—re Model BE-2.....	16	153
Z	Chart showing construction of Plaintiff's equipment illustrated in Exhibits A1 to A6 attached to Plaintiff's First Set of Interrogatories—re Model BE-2.....	16	153
AA	Chart showing construction of Plaintiff's equipment illustrated in Exhibits B-1 to B-4 attached to Plaintiff's First Set of Interrogatories—re Model BC-3.....	16	153
AB	Second chart showing construction of Plaintiff's equipment illustrated in Exhibits B-1 to B-4 attached to Plaintiff's First Set of Interrogatories—re Model BC-3.....	16	153
AC	Chart showing construction of Plaintiff's equipment illustrated in Exhibits C-1 to C-5 attached to Plaintiff's First Set of Interrogatories—re Model BC-4.....	16	153

Defendant's Exhibits	Description	For Identification	In Evidence
AD	Second chart showing construction of Plaintiff's equipment illustrated in Exhibits C-1 to C-5 attached to Plaintiff's First Set of Interrogatories—re Model BC-4.....	16	153
AE-1 AE-2	Charts Showing construction of Plaintiff's equipment illustrated in Exhibits D-1 to D-5 attached to Plaintiff's First Set of Interrogatories re Model BD-2.....	16	153
AF	Second chart showing construction of Plaintiff's equipment illustrated in Exhibits D-1 to D-5 attached to Plaintiff's First Set of Interrogatories—re Model BD-2.....	16	153
AG	Literature illustrating Defendant's commercial bulkhead equipment employing the invention of the patent in suit	16	157
AJ	Detailed DFB Ownership List as of June 30, 1965.....	16	162
AK	Unarco Settlement Agreement	16	897
AL	Judgment in Evans Products Company v. Unarco Industries, Inc., Civil Action 65 C-592	16	827
AM	Judgment in Unarco Industries, Inc. v. Evans Products Company, Civil Action 62 C-1659	16	900

Defendant's Exhibits	Description	For Identification	In Evidence
AN-1 to AN-6	Photographs of SP 697999— Load Divider Installation...	16	667
AO-1 to AO-3	Photographs of SP 692967— DFB Installation	16	668
AQ	Selected Answers of Plaintiff to Defendant's Interrogatories and Request for Admissions	16	153
AR	Stipulation re Defendant's Charts DX Y, Z, AA, AB, AC, AD, AE-1, AE-2 and AF	16	153
AS-1	PCF Drawing SK 1-28-64..	16	153
AS-2	Preco Drawing B-17916 A..	16	153
AS-3	Preco Drawing B-17385 C..	16	153
AS-4	PFE Drawing 4R-5650.....	16	153
AS-5	Sketch dated Dec. 3, 1962..	16	153
AS-6	Santa Fe Drawing SK-B-10427	16	153
AS-7	Santa Fe Drawing SK-D-10445	16	153
AS-8	Preco Drawing B-17349C...	16	153
AT	Collection of prior patents covering bulkheads for railroad cars	16	673
AU-1	PCF Car Construction Drawing 6557-3	16	153
AU-2	PCF Car Construction Drawing R 197-45.....	16	153
AU-3	PCF Car Construction Drawing R 198-17.....	16	153

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Defendant's Exhibits	Description	For Identification	In Evidence
AV	PCF Drawing 6557-9.....	507	559
AW	Car Builders Cyclopedia....	673	673
AX	J.A.B. Sketch re Wells' structure	854	854
AY	Sketch of Preco bar end construction	902	903
AZ-1	Infringement Chart of Claim 1 of Wells et al Patent No. 2,543,143	1243	1244
AZ-2	Infringement Chart of Claim 2 of Wells et al Patent No. 2,543,143	1243	1244
AZ-3	Infringement Chart of Claim 3 of Wells et al Patent No. 2,543,143	1243	1244

